February 28, 2020

The AES Corporation

Fourth Quarter & Full Year 2019 Financial Review

Safe Harbor Disclosure

Certain statements in the following presentation regarding AES' business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to, accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as the execution of PPAs, conversion of our backlog and growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see Slide 55 and the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES' filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A: "Risk Factors" and Item 7: "Management's Discussion & Analysis" in AES' 2019 Annual Report on Form 10-K, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Reconciliation to U.S. GAAP Financial Information

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934, as amended. Schedules are included herein that reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

Highlights

- In 2019, we earned Adjusted EPS[1] of $1.36, 10% higher than 2018
- We are reaffirming our 7% to 9% average annual growth in Adjusted EPS[1] and Parent Free Cash Flow[1] through 2022
- In 2019, after reducing our Parent debt by half, we were upgraded to an investment grade rating for the first time in AES' history
- In 2019, we completed construction of 2.2 GW of new projects and signed 2.8 GW of renewable contracts, bringing backlog to 6.1 GW
- In 2019, we achieved critical milestones toward expanding LNG infrastructure in the Dominican Republic, Panama and Vietnam
- We are delivering innovative energy solutions through Fluence, Uplight, and a strategic alliance with Google
- Today, we are announcing a target to reduce our coal-fired generation below 30% of total generation volume by the end of this year and to less than 10% by 2030

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Our Strategy

AES is Leading the Energy Transition

Sustainable Growth

- Benefitting from global transition toward a more sustainable generation mix
  - Signed long-term PPAs for 2.8 GW of solar, wind and energy storage
  - Total backlog of 6.1 GW
  - Expanding LNG infrastructure in the Dominican Republic, Panama and Vietnam

Innovative Solutions

- Developing and deploying innovative solutions
  - Fluence energy storage JV a global leader with 1.7 GW awarded or delivered
  - Formed a 10-year strategic alliance with Google
  - Merged Simple Energy into Uplight, the market leader in providing cloud-based digital solutions

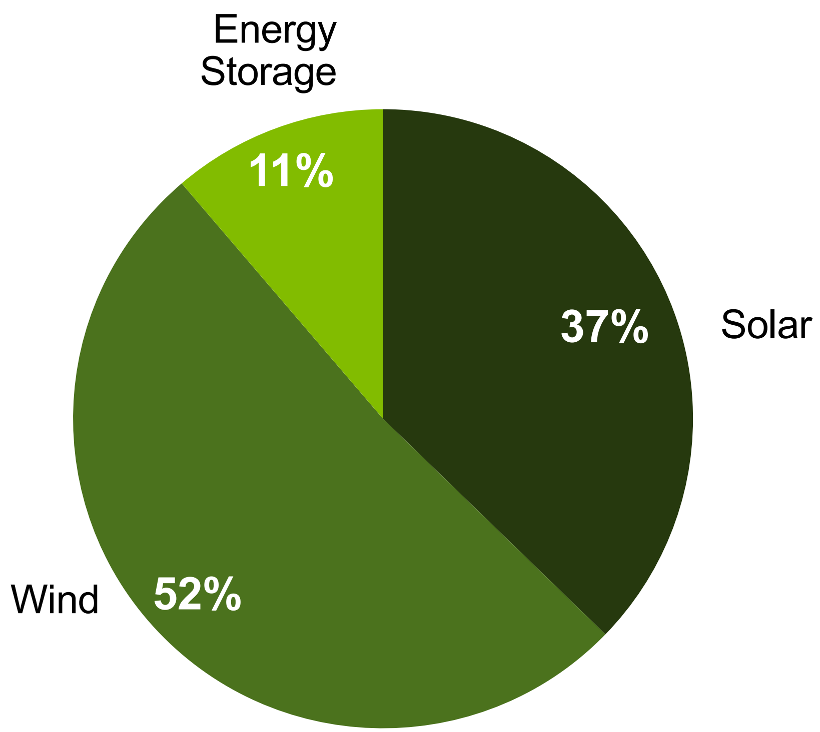
Superior Results

- Transforming our business mix to deliver superior results
  - Upgraded to an investment grade credit rating
  - Announcing a target to reduce generation from coal to <30% by year-end 2020 and to <10% by 2030
  - Expecting average annual growth of 7% to 9% in Adjusted EPS[1] and Parent Free Cash Flow[1] through 2022

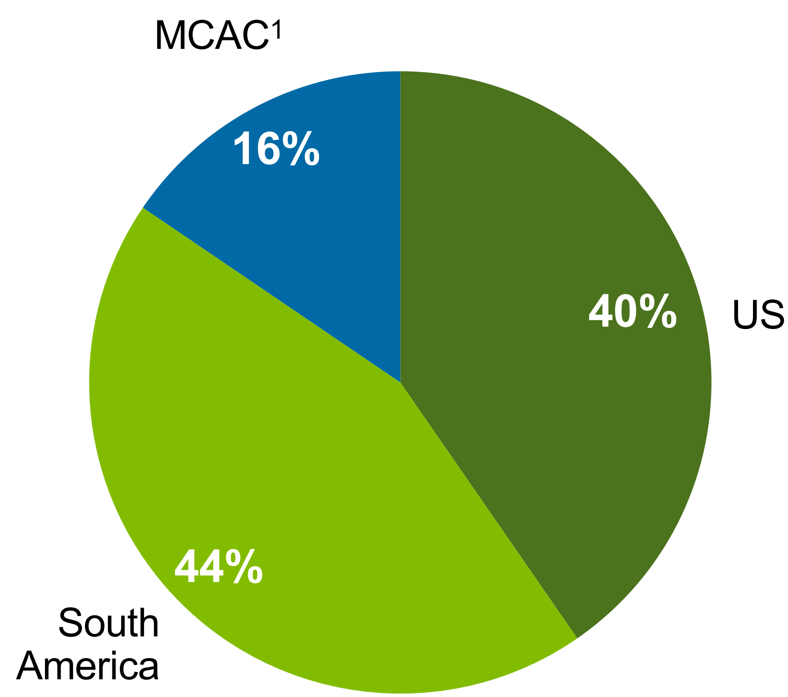
1. A non-GAAP financial measure. See Appendix for definition.

Sustainable Growth: Signed Long-Term PPAs for 2.8 GW of Renewables in 2019

Technology



Geography



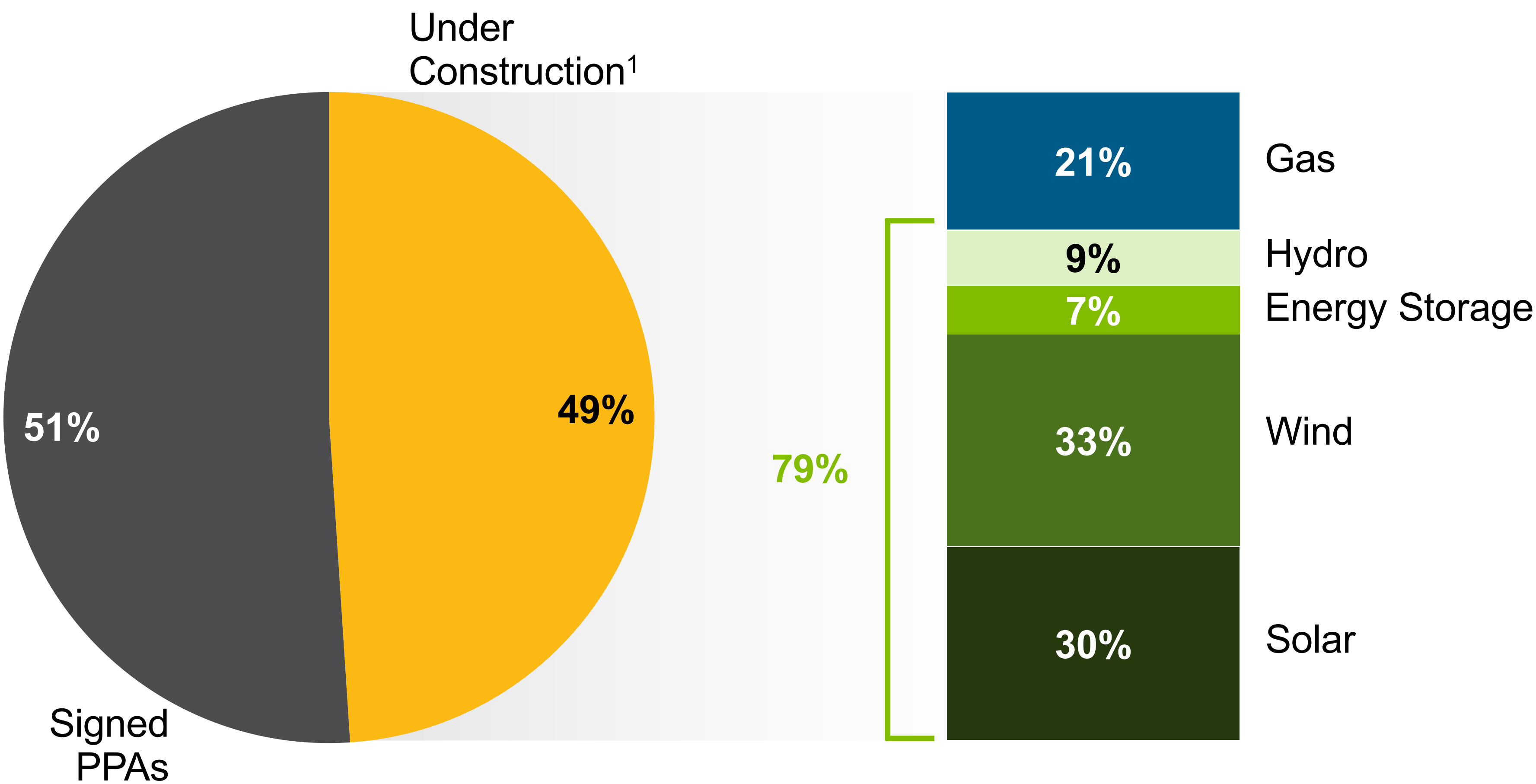
1. Mexico, Central America and the Caribbean.

AES Distributed Energy Nearly Tripled PPAs Signed in 2019 Versus 2018

365 MW of Renewables Signed Under Long-Term PPAs

- Deep knowledge of specific markets, including Hawaii
  - Delivered 40 MW solar + 5-hour duration energy storage project
  - Won contracts for 205 MW of additional solar + storage

Sustainable Growth: 6.1 GW Backlog of Mostly Renewables



1. As of December 31, 2019.

Sustainable Growth: Projects Under Construction

1,299 MW Southland Repowering in California

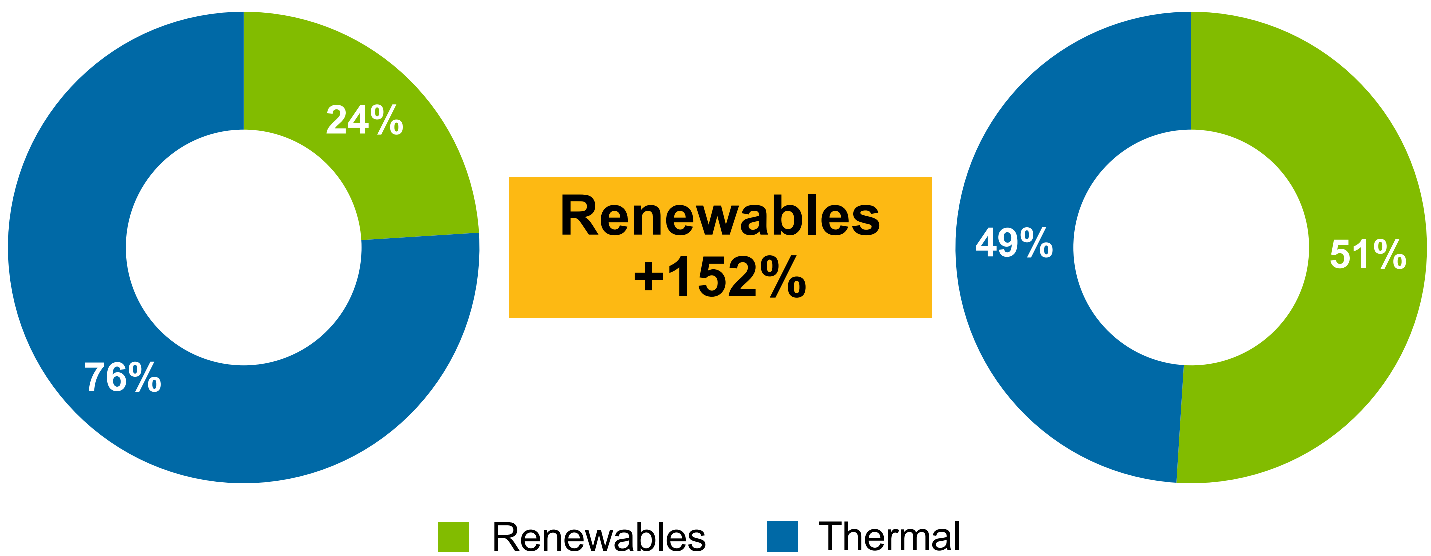
- Achieved COD[1] in February 2020
- 20-year PPAs with Southern California Edison

1. Commercial Operations Date.

Sustainable Growth: More Than Doubling Renewables in AES Gener's Portfolio by 2024

- Secured 2.5 GW of new long-term PPAs for renewables in Chile and Colombia
  - 1.8 GW of Green Blend and Extend in Chile
  - 0.7 GW of wind and solar diversifying AES Colombia
- 1.6 GW of new capacity, plus existing portfolio will serve new PPAs
  - $335 million of AES equity to fund this growth at AES Gener
- Largely offsets legacy contract roll-offs through 2024
- Positioning AES Gener to continue to deliver strong financial results

AES Gener's 2017 Generation Mix (5.8 GW)	AES Gener's 2024 Generation Mix (6.9 GW)



Innovative Solutions

Fluence Energy Storage Joint Venture with Siemens

FLUENCE
A Siemens and AES Company

- Global market leader
  - Awarded 961 MW in 2019
- Since 2018, tripled backlog of awarded sales to 1.2 GW worth ~$1 billion in revenue
- Total of 1,679 MW delivered or awarded through year-end 2019
- Well-positioned to capitalize on 15 to 20 GW of expected annual growth globally

Innovative Solutions: Strategic Alliance with Google

Accelerating the Growth and Adoption of Clean Energy

- AES is collaborating with Google Cloud on energy management and opportunities to sponsor clean energy projects
- AES will use Google Cloud technology to drive innovation in the sector and improve the experience for energy customers

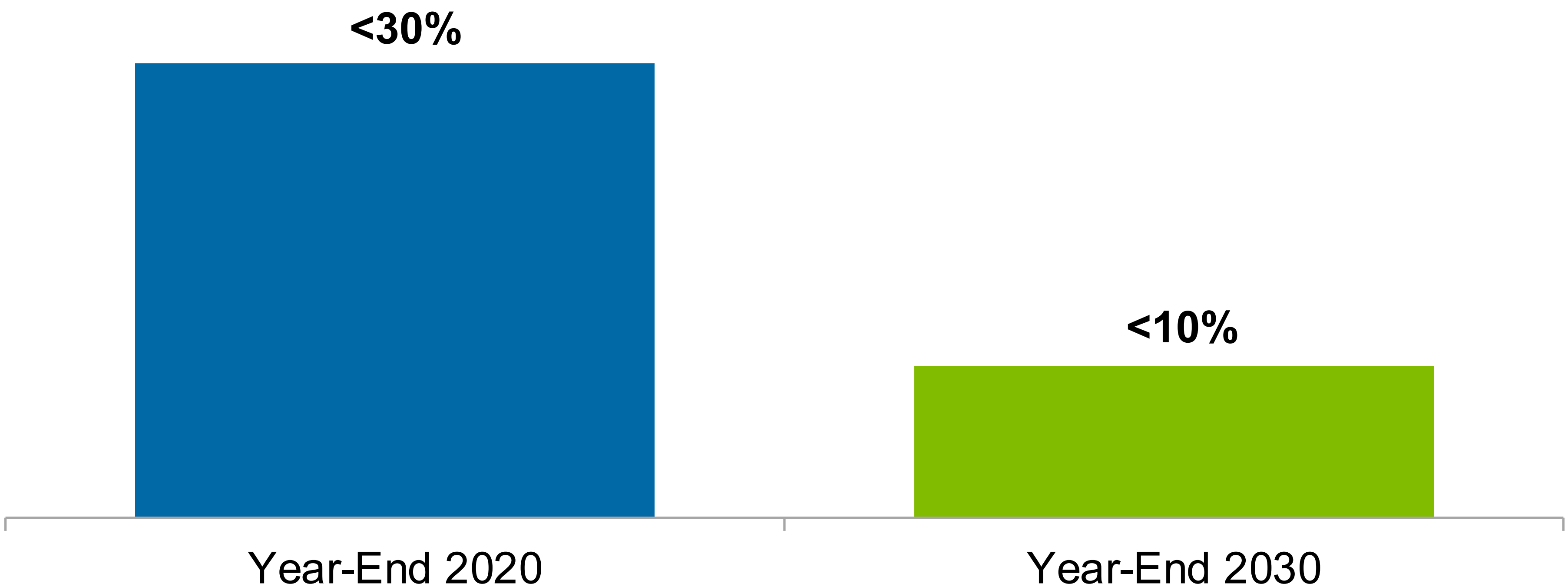
Innovative Solutions

Well-Positioned to Benefit from Continued Growth in Cloud-Based Digital Solutions

- Provides utilities with a suite of digital services, including an online marketplace
- Works with over 80 electric and gas utilities and reaches over 100 million households and businesses in the US
- Over $100 million in sales in 2019

Superior Results: Transforming Business Mix, While Delivering a Double-Digit Total Return[1]

Reducing Generation (MWh) from Coal to Below 30% by Year-End 2020 and to Less Than 10% by 2030[2]



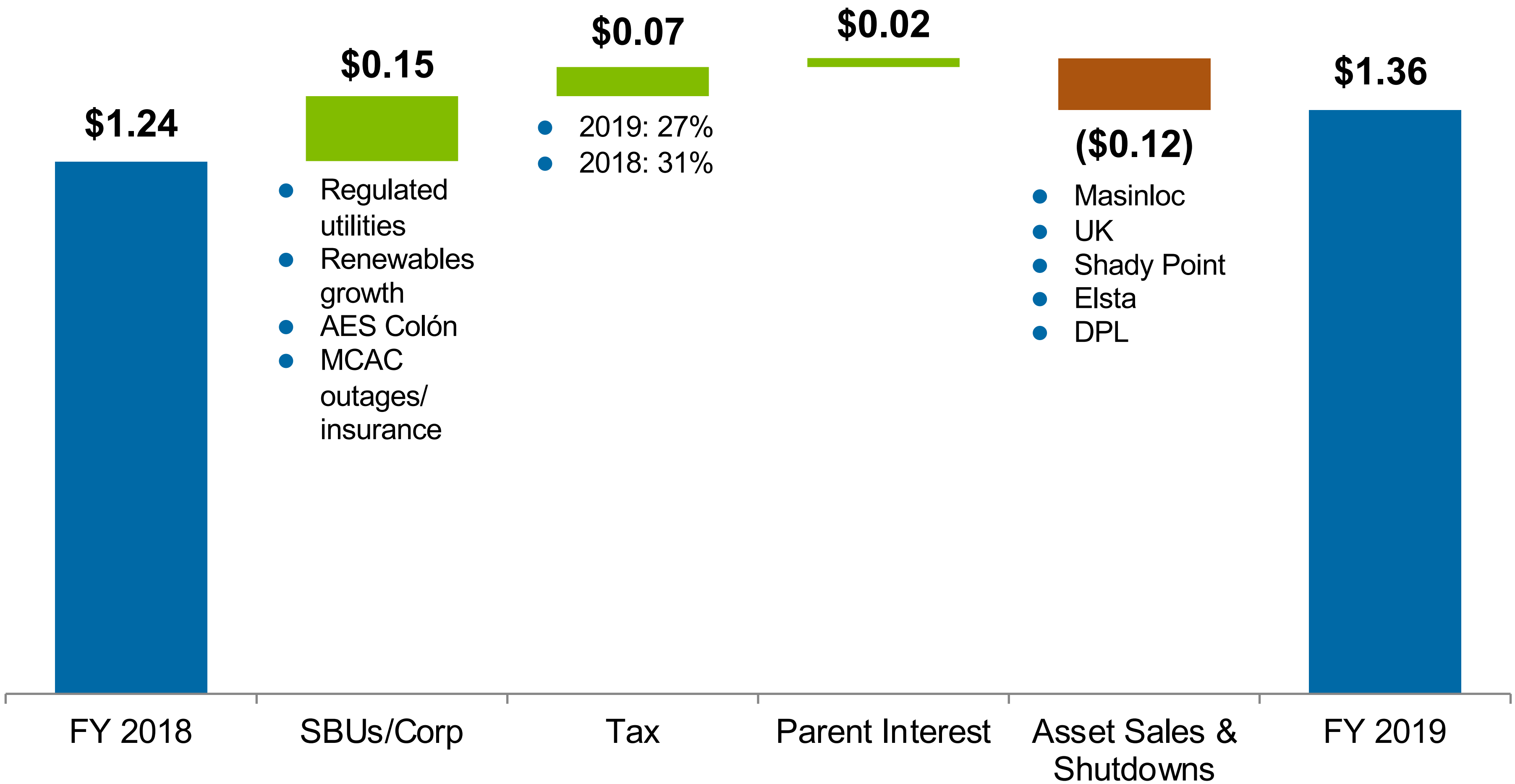
Reaffirming 7% to 9% Average Annual Growth in Adjusted EPS[3] and Parent Free Cash Flow[3] Through 2022

1. 7% to 9% average annual growth in Adjusted EPS through 2022, plus ~3% dividend yield.
2. Based on expected portfolio as of year-end, including asset sales that are announced, but not yet closed at that time.
3. A non-GAAP financial measure. See Appendix for definition.

Q4 & FY 2019 Financial Review

- 2019 results
- Credit profile
- 2019 Parent capital allocation
- 2020 guidance and expectations through 2022
- Parent capital allocation plans

FY 2019 Adjusted EPS[1] Increased $0.12

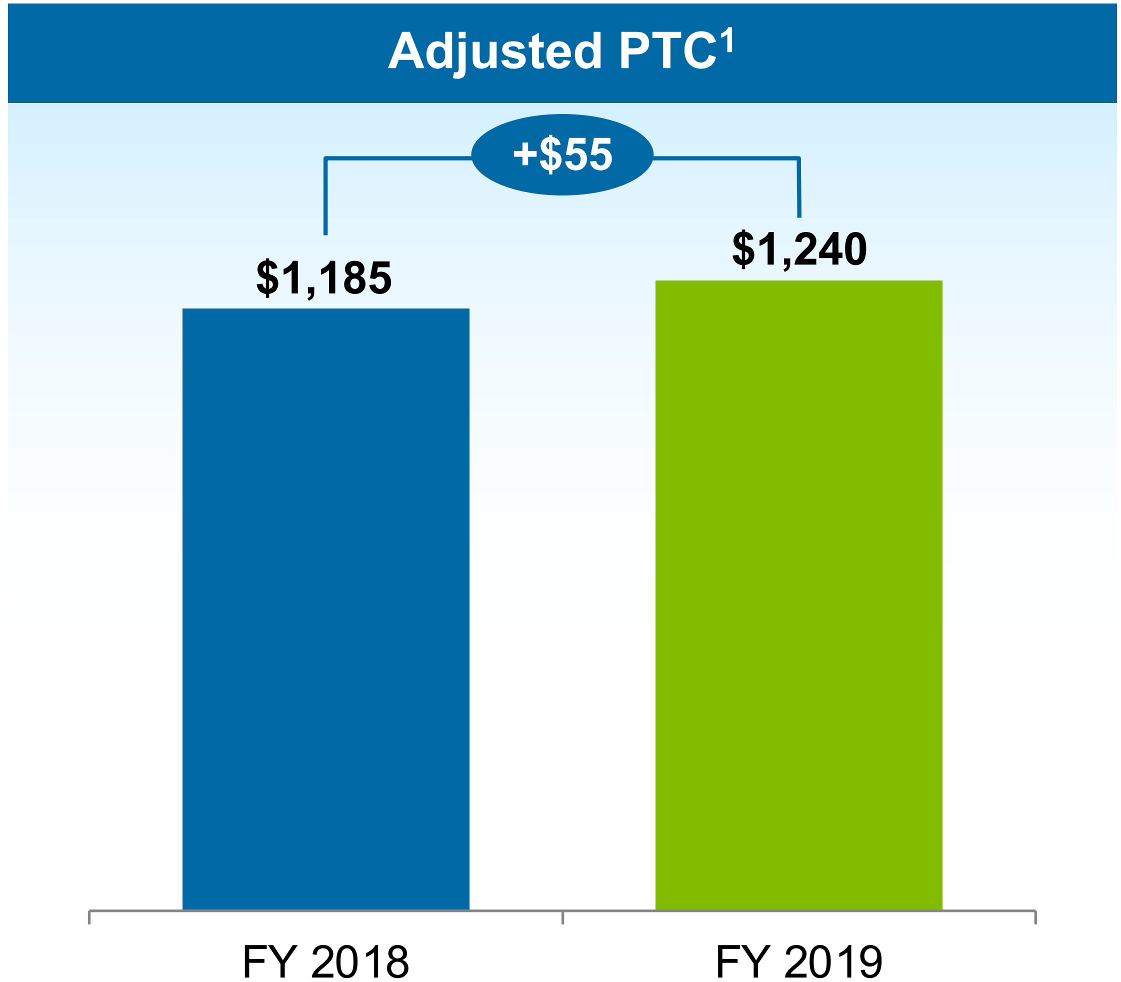


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

FY Financial Results

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Growth at regulated utilities;
  - Contributions from new businesses; and
  - Lower Parent interest
- Partially offset by sold businesses

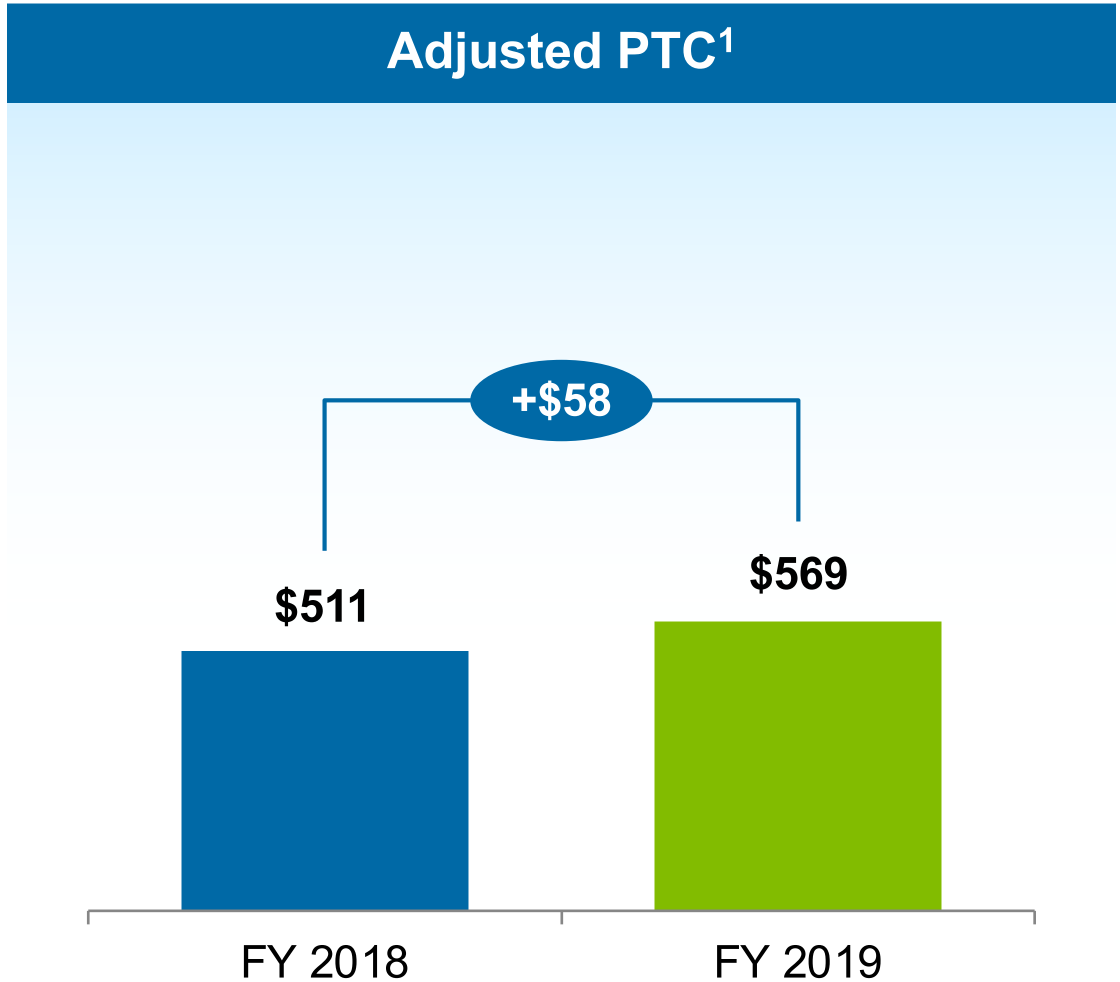


1. A non-GAAP financial measure. See Appendix for definition and reconciliation to the nearest GAAP measure.

FY Financial Results: US & Utilities SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Regulated growth at utilities; and
  - Contributions from renewables
- Partially offset by exit of generation at Shady Point and DPL

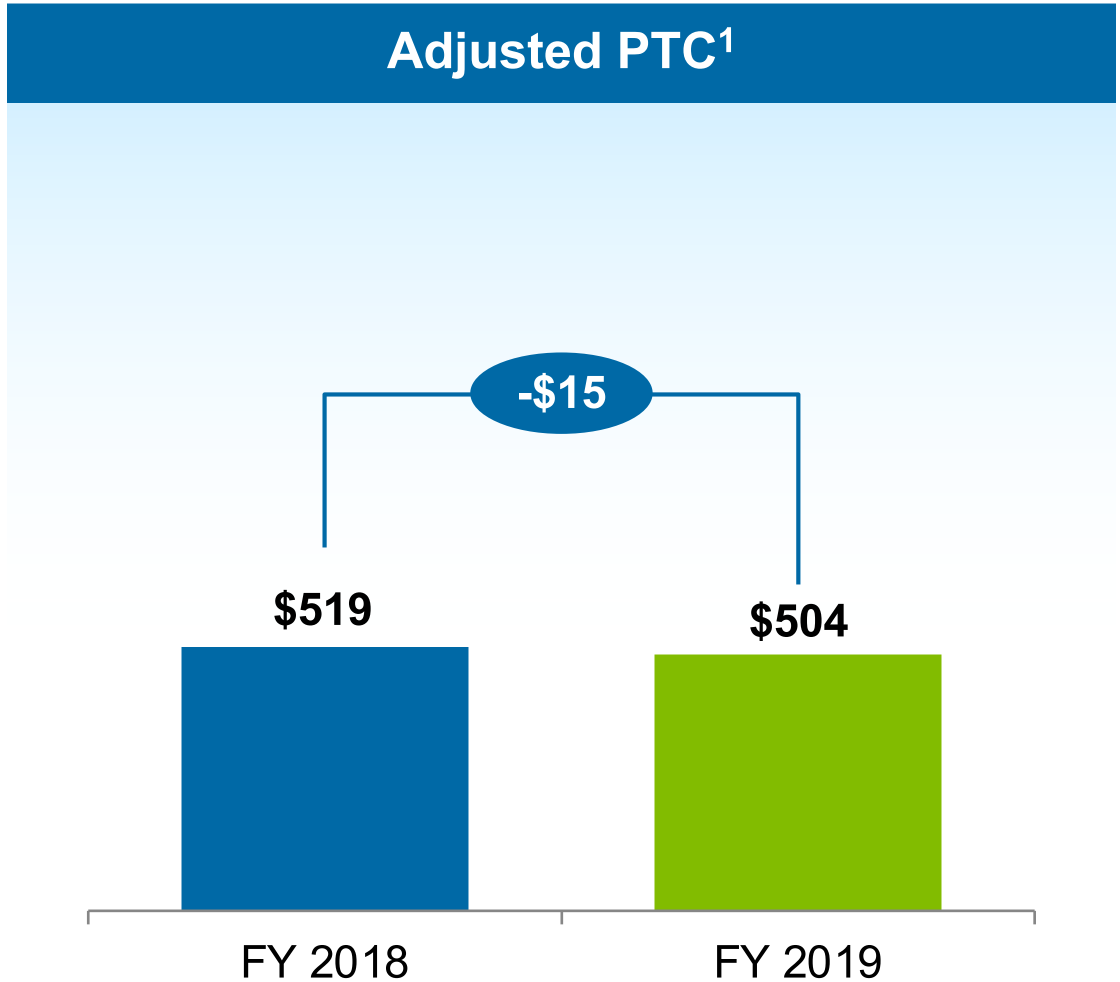


1. A non-GAAP financial measure. See Appendix for definition.

FY Financial Results: South America SBU

$ in Millions

- Lower Adjusted PTC[1] driven primarily by lower generation and asset sales in Chile
- Partially offset by better operating results at Guacolda and lower interest expense in Chile

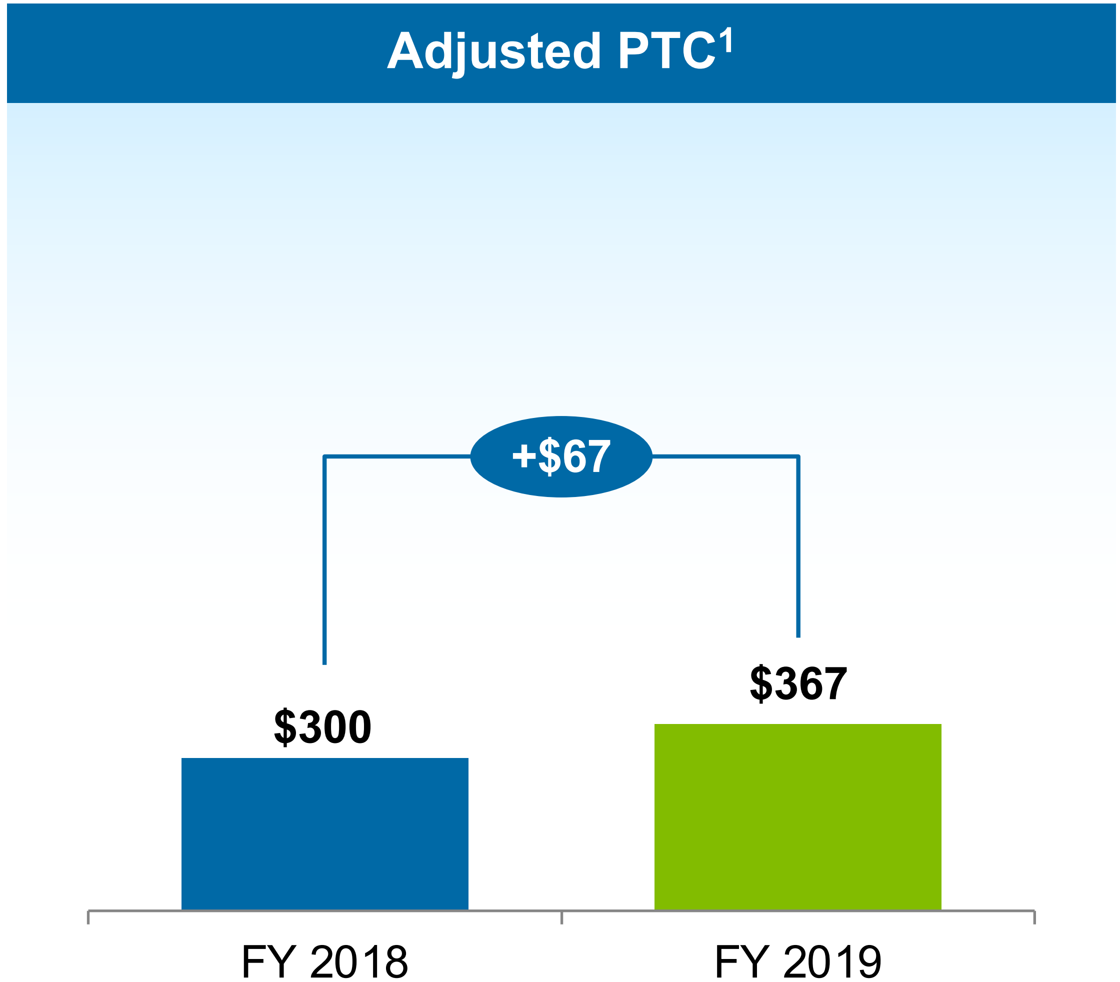


1. A non-GAAP financial measure. See Appendix for definition.

FY Financial Results: MCAC SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Commencement of operations at AES Colón in late 2018;
  - Better contracted prices in Panama; and
  - Insurance recovery in the Dominican Republic and Panama, net of outage costs

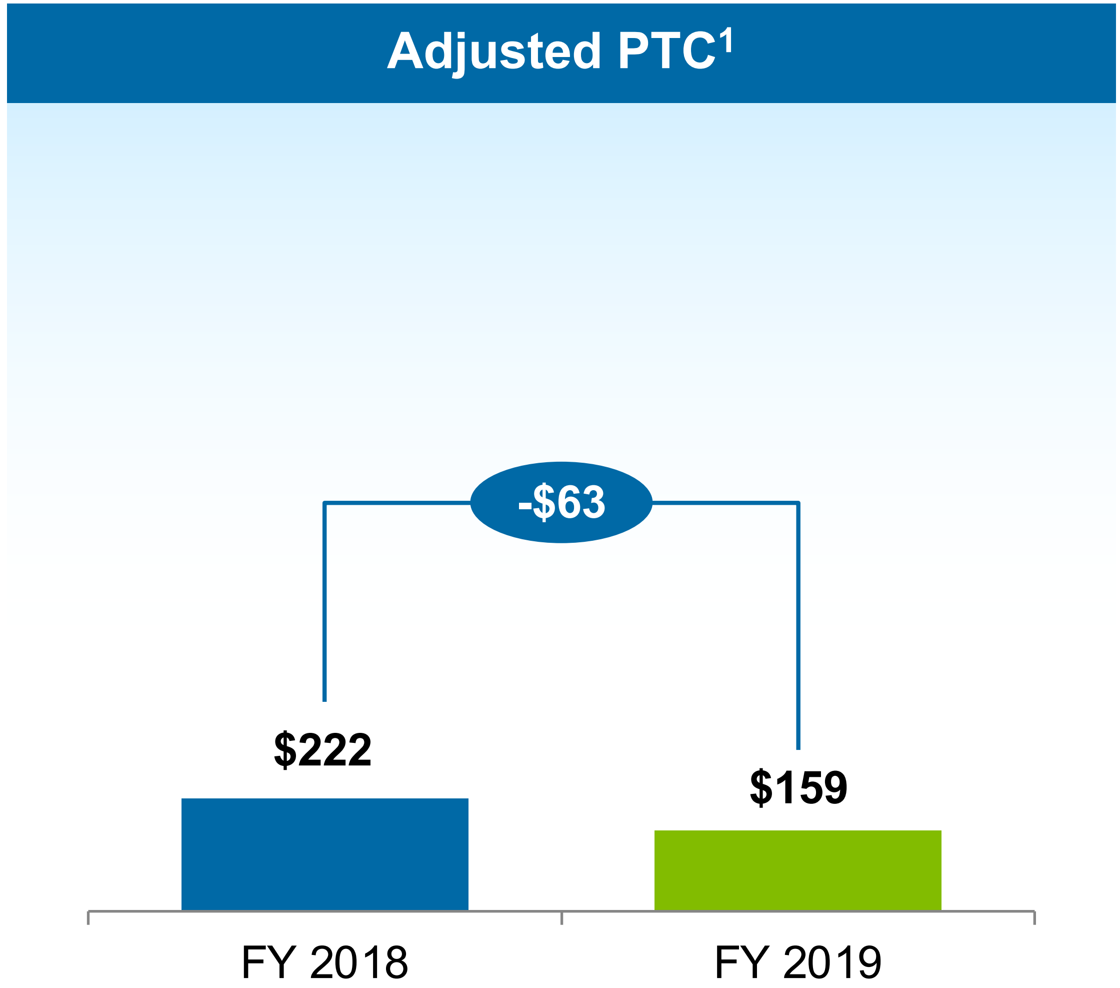


1. A non-GAAP financial measure. See Appendix for definition.

FY Financial Results: Eurasia SBU

$ in Millions

- Lower Adjusted PTC[1] driven primarily by sold businesses in the United Kingdom, the Philippines, and the Netherlands



1. A non-GAAP financial measure. See Appendix for definition.

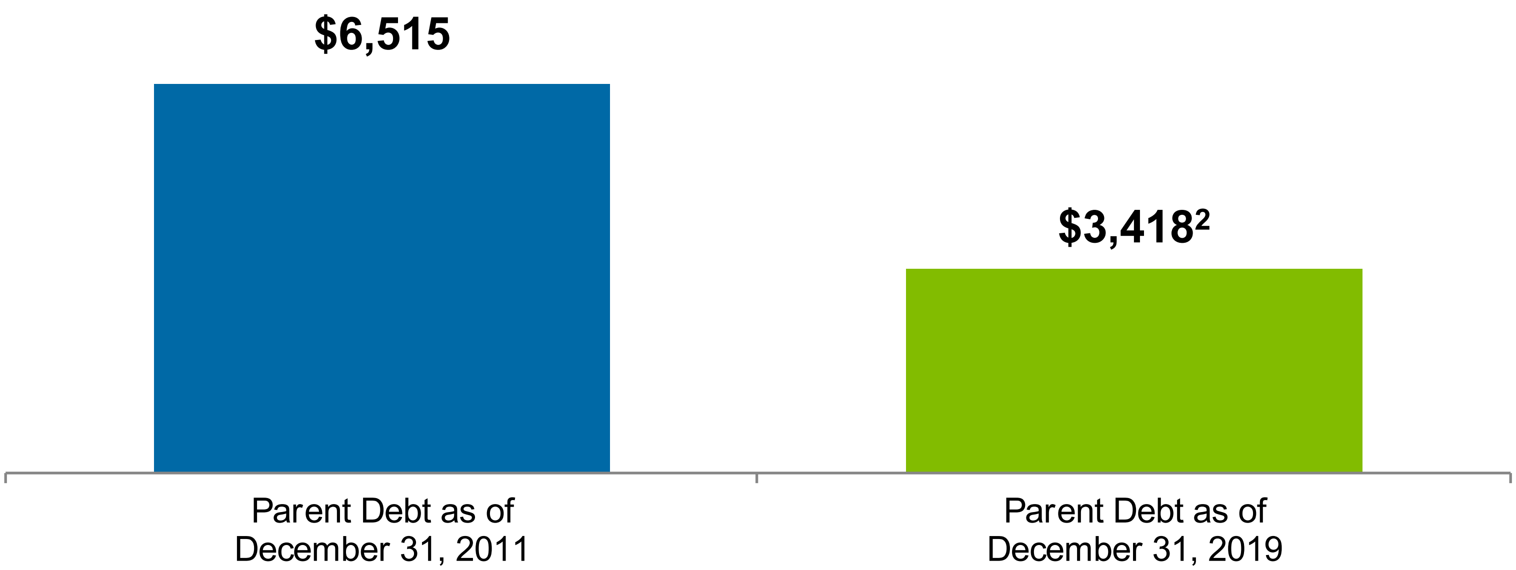
Business Updates

DPL in the US	Argentina

• ESP 1 approved in December 2019
  ▸ ~$50 million lower annual revenue; $25 million recoverable once planned distribution rate case approved
• Committed to invest in significant T&D and smart grid opportunities
	• New government implemented changes to regulated tariffs in February 2020
	  ▸ Reduced capacity payments
	  ▸ Regulated contract prices now linked to Argentine peso with indexation for inflation
	  ▸ ~$35 million lower annual revenue

Superior Results: Since 2011, Parent Debt Reduced by Nearly Half

$ in Millions



Parent Leverage[1]	6.4x	3.7x
FFO/Parent Debt	9.4%	21.2%

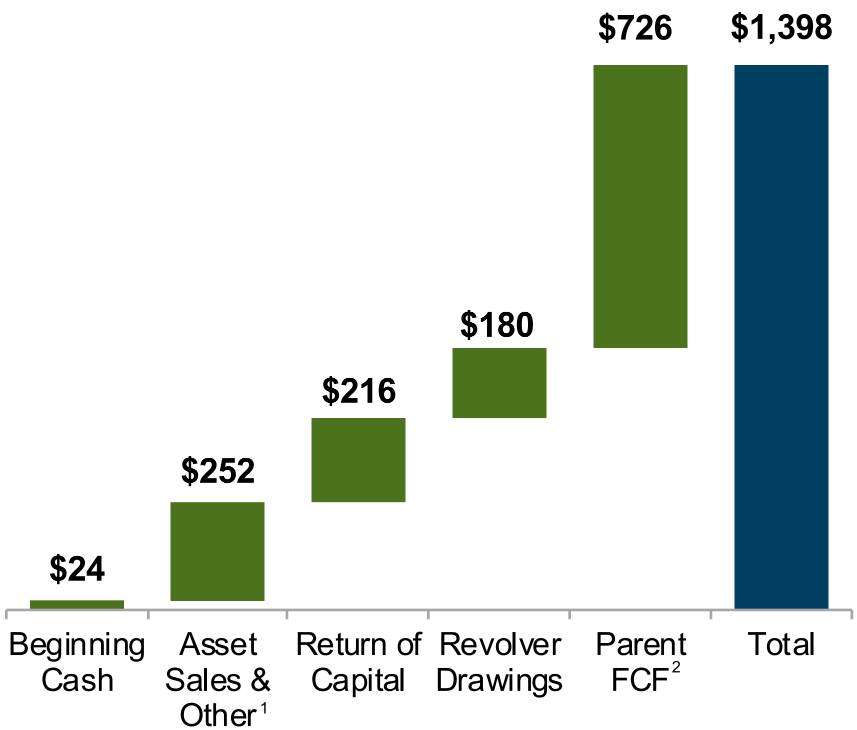
Upgraded to Investment Grade by Fitch in 2019

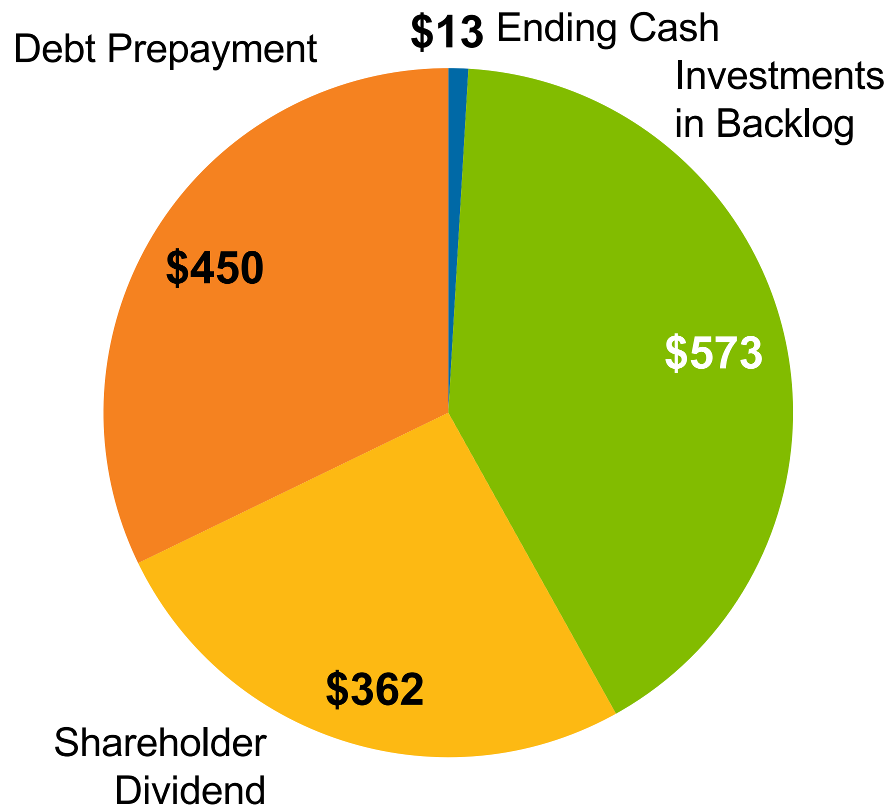
1. Parent Debt/Last Twelve Months Parent Free Cash Flow Before Interest.
2. Includes $180 million of temporary drawings under revolver.

2019 Parent Capital Allocation

$ in Millions

Discretionary Cash – Sources ($1,398)	Discretionary Cash – Uses ($1,398)

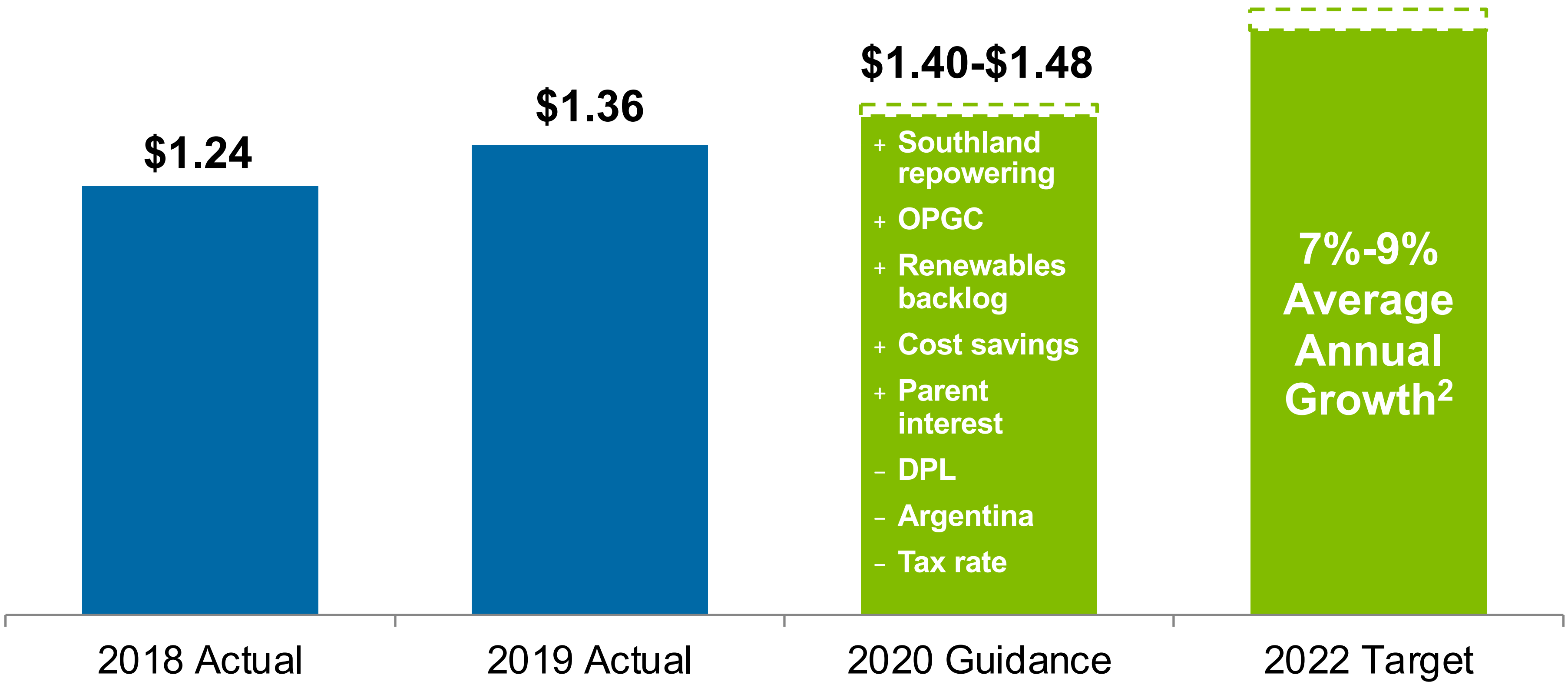




1. Includes: sell-down of sPower's operating portfolio; and sale of businesses in Northern Ireland.
2. A non-GAAP financial measure. See "definitions".

Superior Results: Adjusted EPS[1] Guidance and Longer-Term Growth Rate Target

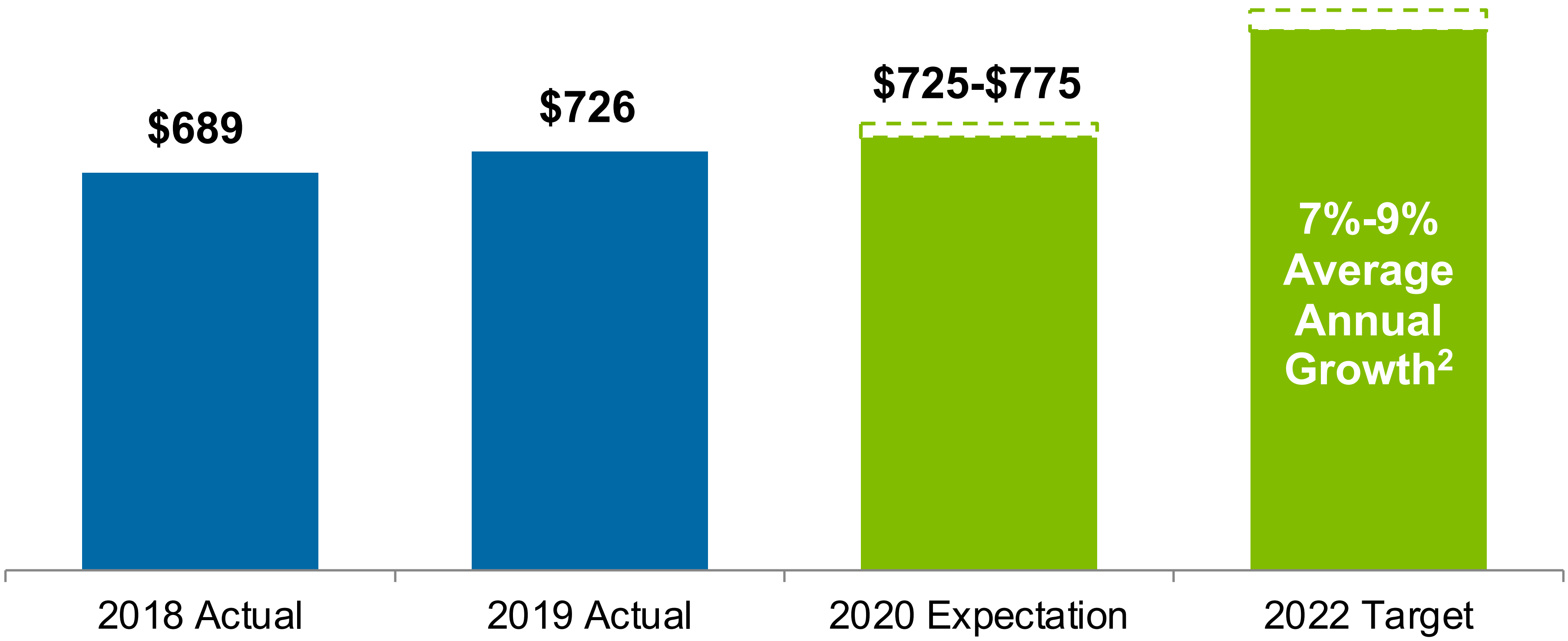
$ Per Share



1. A non-GAAP financial measure. See Appendix for definition. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Adjusted EPS guidance without unreasonable effort. See Slide 53 for a description of the adjustments to reconcile Adjusted EPS to diluted EPS for 2018-2019.
2. From a base of 2018 Adjusted EPS of $1.24.

Superior Results: Parent Free Cash Flow[1] Expectation and Longer-Term Growth Rate Target

$ in Millions

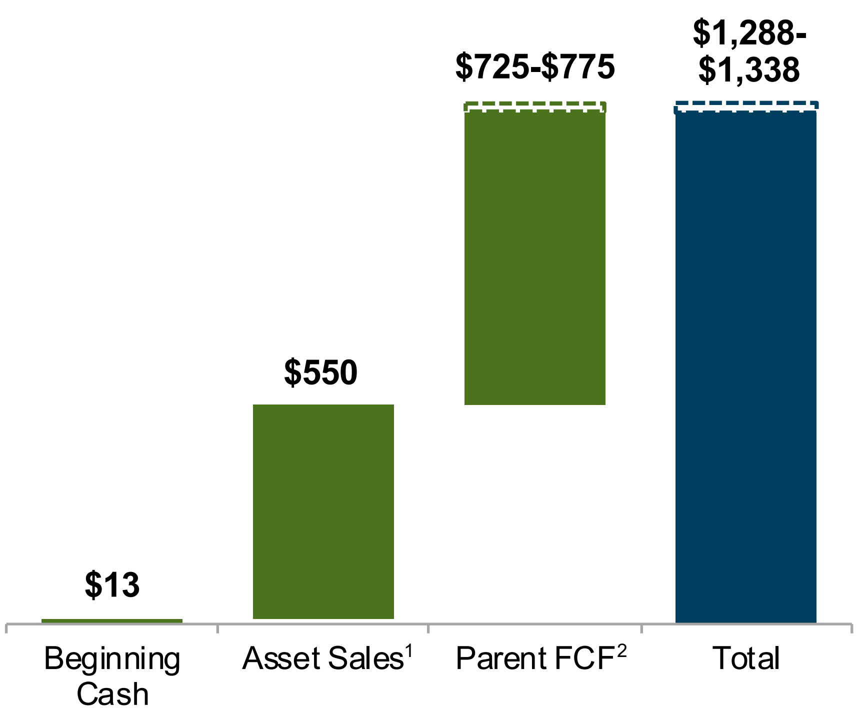


1. A non-GAAP financial measure. See Appendix for definition. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See Slide 54 for a description of the adjustments to reconcile Parent Free Cash Flow to Net Cash Provided by Operating Activities at the Parent Company for 2018-2019.
2. From a base of 2018 Parent Free Cash Flow of $689 million.

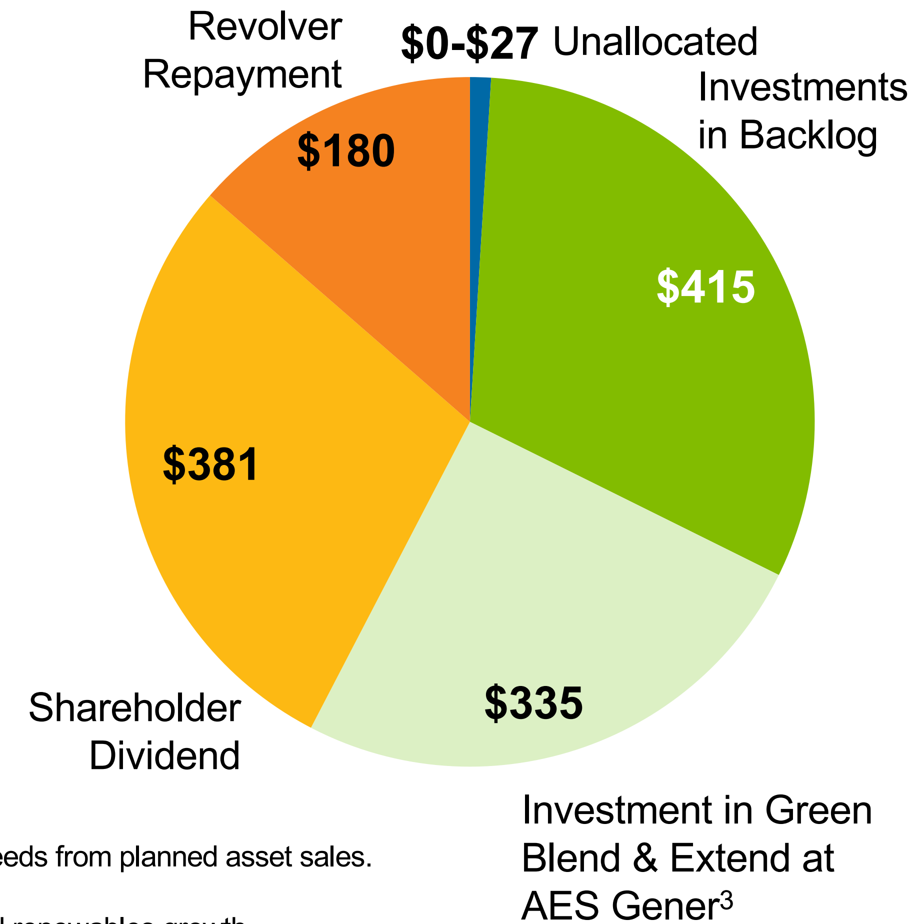
2020 Parent Capital Allocation Plan

$ in Millions

Discretionary Cash – Sources ($1,288-$1,338)



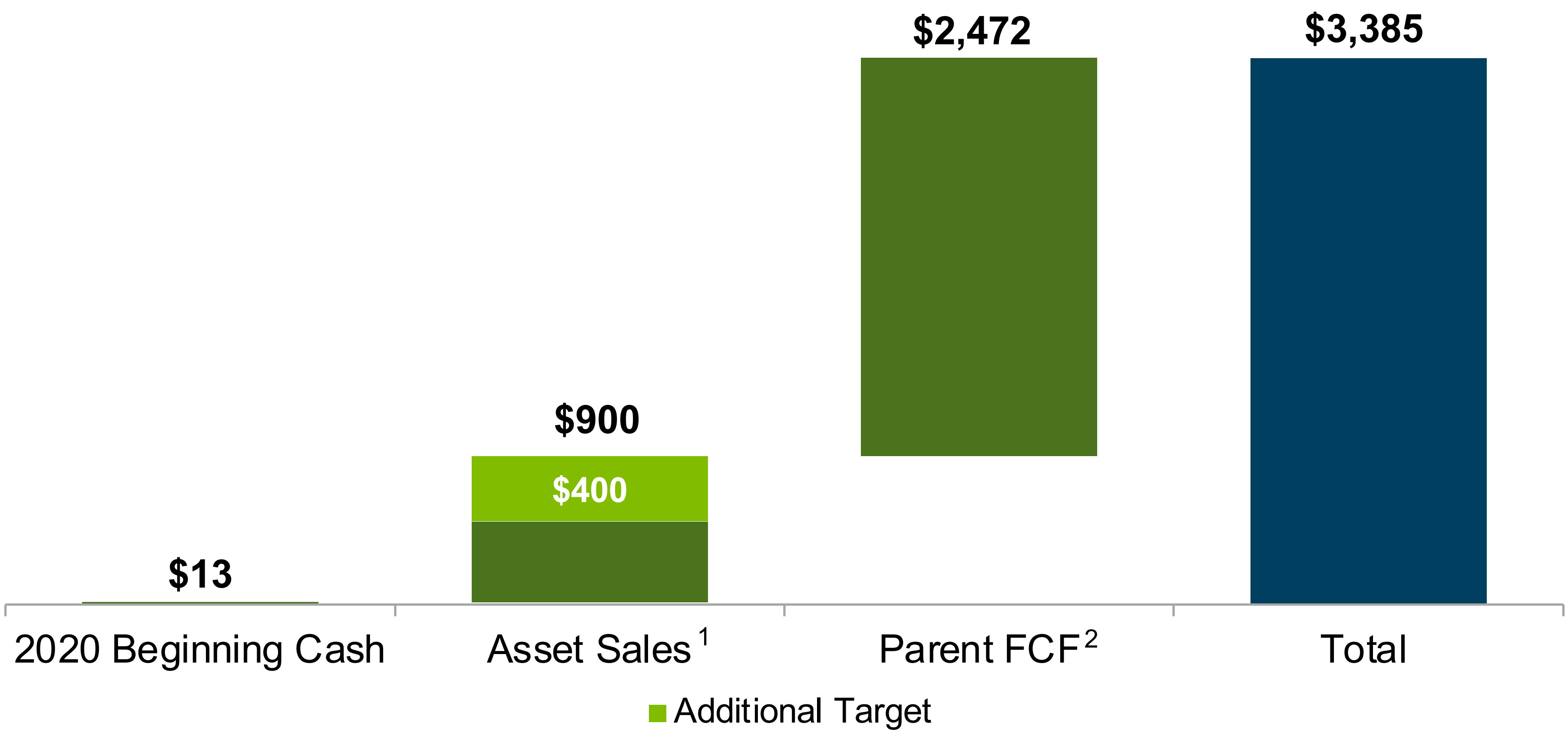
Discretionary Cash – Uses ($1,288-$1,338)



1. Includes: ~$85 million pending sale of businesses in Jordan and proceeds from planned asset sales.
2. A non-GAAP financial measure. See "definitions".
3. AES' participation in AES Gener's $500 million equity issuance to fund renewables growth.

2020-2022: $3.4 Billion of Discretionary Cash Generation

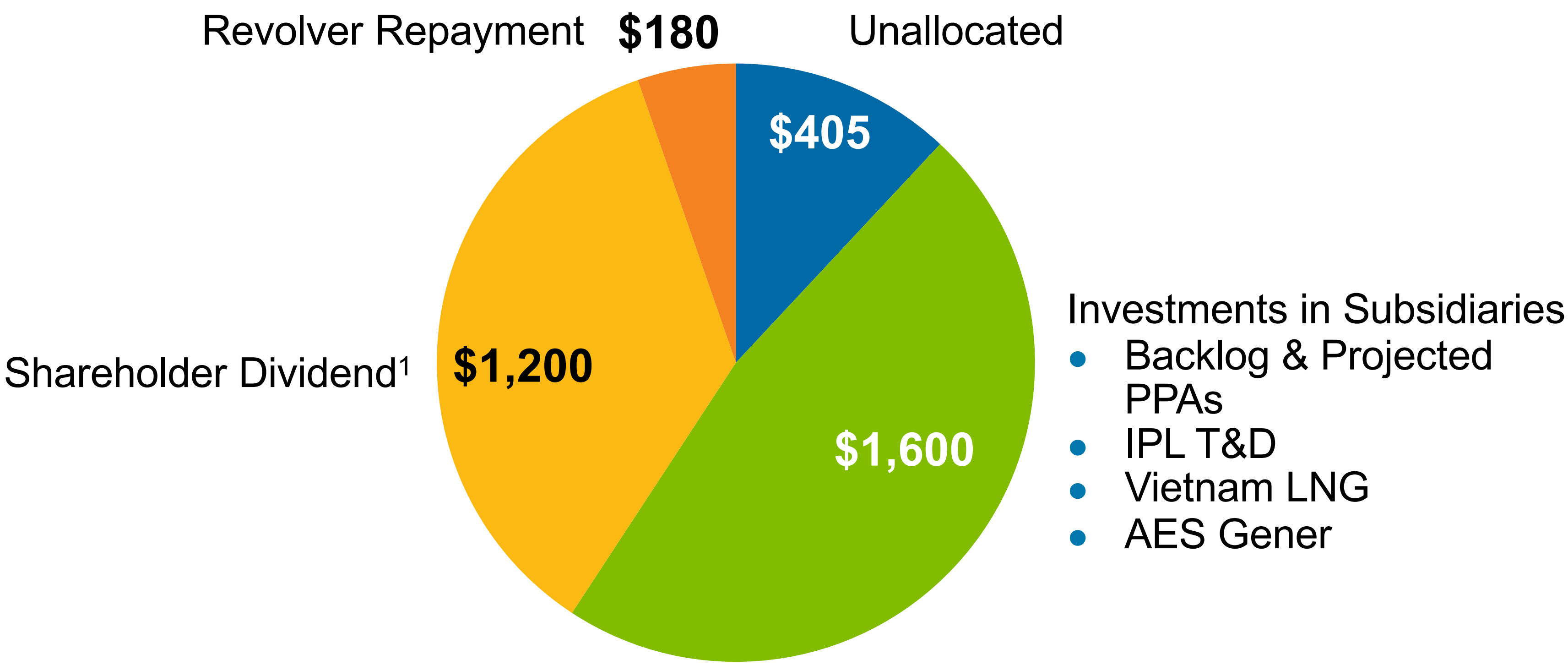
$ in Millions



1. Includes: ~$85 million pending sale of businesses in Jordan and proceeds from planned asset sales. Prior target was $2 billion from 2018-2022, of which $1.5 billion was completed in 2018-2019.
2. A non-GAAP financial measure. See Appendix for definition. For illustrative purposes, Parent Free Cash Flow assumes the low end of expectations.

2020-2022: $3.4 Billion of Discretionary Cash Available for Allocation

$ in Millions



Delivering Value by Allocating $3.4 Billion of Discretionary Cash

1. Assumes 2020 payment of $0.1433 per share each quarter on 664 million shares outstanding as of December 31, 2019, growing at 5% per year through 2022.

Key Takeaways

- Through the actions we have taken over the last several years, we have enhanced the resiliency of our portfolio
  - Delivered on 2019 guidance and upgraded to investment grade
- Cemented our position as a leader in clean energy
  - Added 2.8 GW of renewables to our backlog
- AES Gener successfully executed on its Green Blend and Extend strategy
  - Signed 2.5 GW of renewable contracts – helps offset the roll-off of legacy contracts through 2024
- Accelerating a cleaner energy future by delivering innovative solutions through Fluence, Uplight, and our strategic alliance with Google
- Targeting a reduction in coal generation to below 30% by year-end 2020 and to less than 10% by 2030

Reaffirming 7% to 9% Average Annual Growth in Adjusted EPS[1] and Parent Free Cash Flow[1] Through 2022

1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Appendix

1. A non-GAAP financial measure.

Parent Sources and Uses of Liquidity

$ in Millions	Q4		FY	
	2019	2018	2019	2018
Sources				
Total Subsidiary Distributions[1]	$396	$390	$1,191	$1,186
Proceeds from Asset Sales, Net	-	$8	$204	$1,236
Financing Proceeds, Net	($3)	-	($3)	$990
Increased/(Decreased) Credit Facility Commitments	($100)	-	($100)	-
Total Returns of Capital Distributions & Project Financing Proceeds	$19	-	$216	$1
Beginning Parent Company Liquidity[2]	$751	$1,085	$1,046	$869
Total Sources	**$1,063**	**$1,483**	**$2,554**	**$4,282**
Uses				
Repayments of Debt	($1)	($153)	($450)	($1,933)
Shareholder Dividend	($91)	($86)	($362)	($344)
Investments in Subsidiaries, Net	($77)	($64)	($573)	($267)
Cash for Development, Selling, General & Administrative and Taxes	($46)	($42)	($266)	($253)
Cash Payments for Interest	($52)	($56)	($200)	($244)
Changes in Letters of Credit and Other, Net	$18	($36)	$111	($195)
Ending Parent Company Liquidity[2]	($814)	($1,046)	($814)	(1,046)
Total Uses	**($1,063)**	**($1,483)**	**($2,554)**	**($4,282)**

1. See “definitions”.
2. A non-GAAP financial measure. See “definitions”.

Q4 & FY 2019 Subsidiary Distributions[1]

$ in Millions

Subsidiary Distributions[1] by SBU		
	Q4 2019	FY 2019
US & Utilities	$61	$301
South America	$143	$330
MCAC	$186	$304
Eurasia	$6	$229
Corporate & Other[2]	-	$27
Total	**$396**	**$1,191**

Top Ten Subsidiary Distributions[1] by Business							
Q4 2019				FY 2019			
Business	Amount	Business	Amount	Business	Amount	Business	Amount
AES Gener (South America)	$132	CLESA (US & Utilities)	$10	AES Gener (South America)	$182	Maritza (Eurasia)	$81
Andres (MCAC)	$107	CAESS & EEO (US and Utilities)	$8	Argentina (South America)	$131	Mong Duong (Eurasia)	$76
TEG TEP (MCAC)	$55	Panama (MCAC)	$8	IPALCO (US & Utilities)	$125	Los Mina (MCAC)	$75
IPALCO (US & Utilities)	$35	Argentina (South America)	$6	Andres (MCAC)	$117	TEG TEP (MCAC)	$59
Itabo (MCAC)	$14	Brazil (South America)	$4	US Holdco (US & Utilities)	$100	Kilroot (Eurasia)	$33

1. See “definitions”.
2. Corporate & Other includes Global Insurance.

Reconciliation of Subsidiary Distributions[1] and Parent Liquidity[1]

$ in Millions

	Quarter Ended			
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total Subsidiary Distributions[1] to Parent & QHCs[2]	$396	$326	$269	$200
Total Return of Capital Distributions to Parent & QHCs[2]	$19	$198	-	-
Total Subsidiary Distributions[1] & Returns of Capital to Parent	**$415**	**$524**	**$269**	**$200**

	Balance as of			
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Cash at Parent & QHCs[2]	$13	$28	$169	$34
Availability Under Credit Facilities	$801	$723	$719	$775
Ending Liquidity	**$814**	**$751**	**$888**	**$809**

1. A non-GAAP financial measure. See “definitions”.
2. Qualified Holding Company. See “assumptions”.

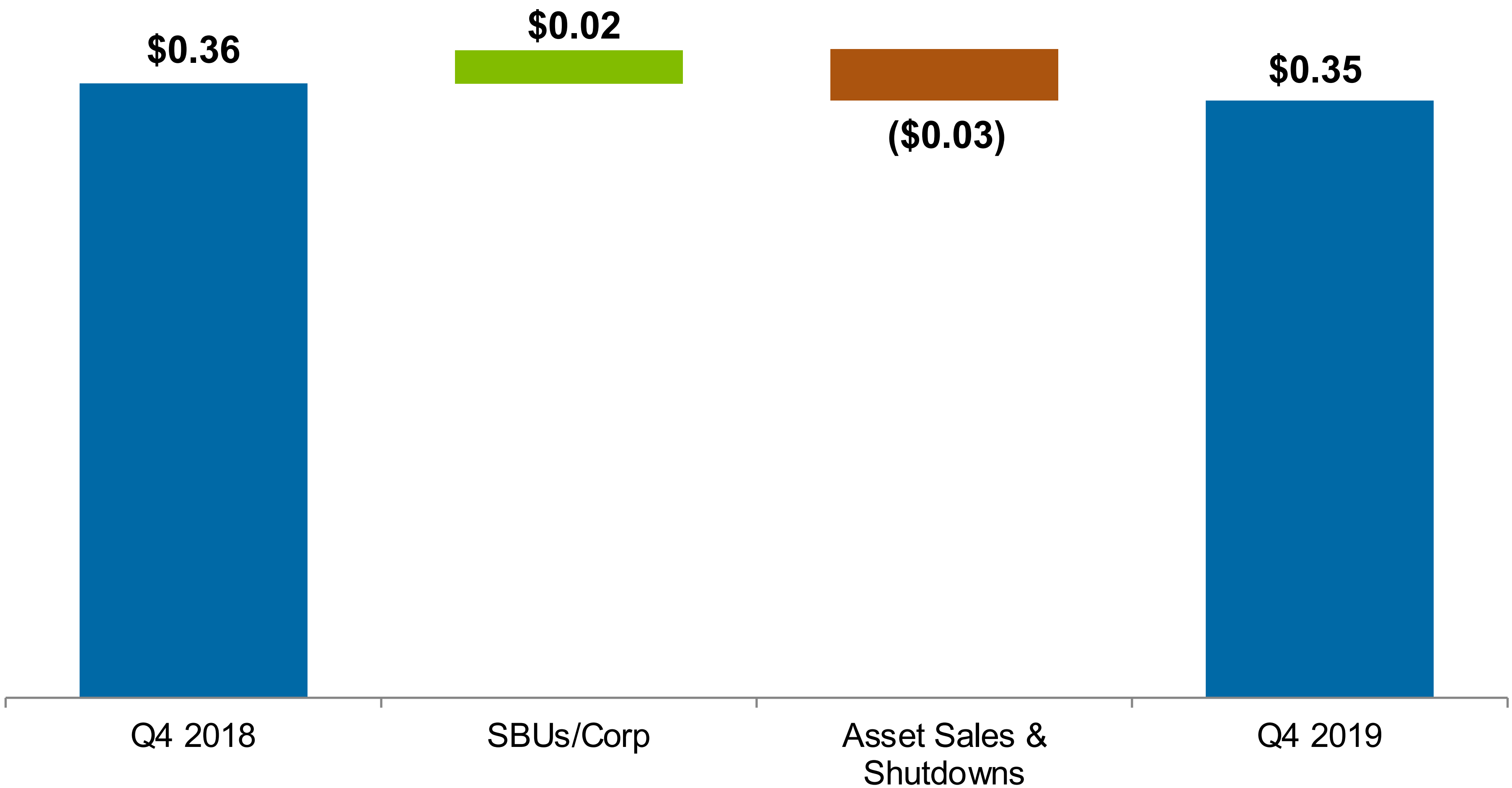
Q4 & FY Adjusted EPS[1] Roll-Up

$ in Millions, Except Per Share Amounts

	Q4 2019	Q4 2018	Variance	FY 2019	FY 2018	Variance
Adjusted PTC[1]						
US & Utilities	$142	$148	($6)	$569	$511	$58
South America	$144	$138	$6	$504	$519	($15)
MCAC	$69	$85	($16)	$367	$300	$67
Eurasia	$45	$47	($2)	$159	$222	($63)
Total SBUs	**$400**	**$418**	**($18)**	**$1,599**	**$1,552**	**$47**
Corp/Other	($98)	($103)	$5	($359)	($367)	$8
Total AES Adjusted PTC[1,2]	**$302**	**$315**	**($13)**	**$1,240**	**$1,185**	**$55**
Adjusted Effective Tax Rate	24%	24%		27%	31%	
Diluted Share Count	668	666		667	665	
Adjusted EPS[1]	**$0.35**	**$0.36**	**($0.01)**	**$1.36**	**$1.24**	**$0.12**

1. A non-GAAP financial measure. See Slides 52-53 for reconciliation to the nearest GAAP measure and "definitions".
2. Includes ($6) million and $7 million of adjusted after-tax equity in earnings for Q4 2019 and Q4 2018, respectively, and $2 million and $34 million for FY 2019 and FY 2018, respectively.

Q4 2019 Adjusted EPS[1] Decreased $0.01

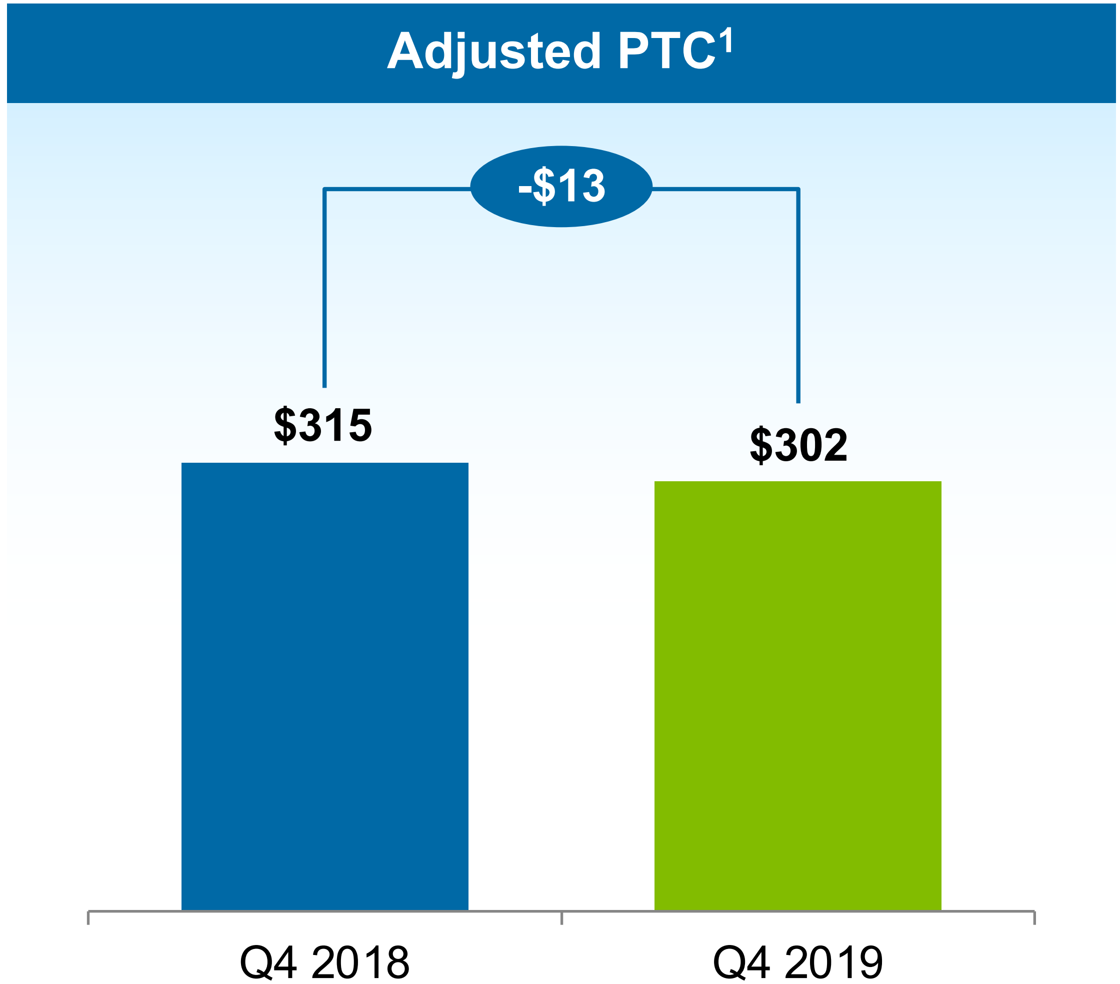


1. A non-GAAP financial measure. See Slide 52 for reconciliation to the nearest GAAP measure and "definitions".

Q4 Financial Results

$ in Millions

- Lower Adjusted PTC[1] driven primarily by the MCAC SBU

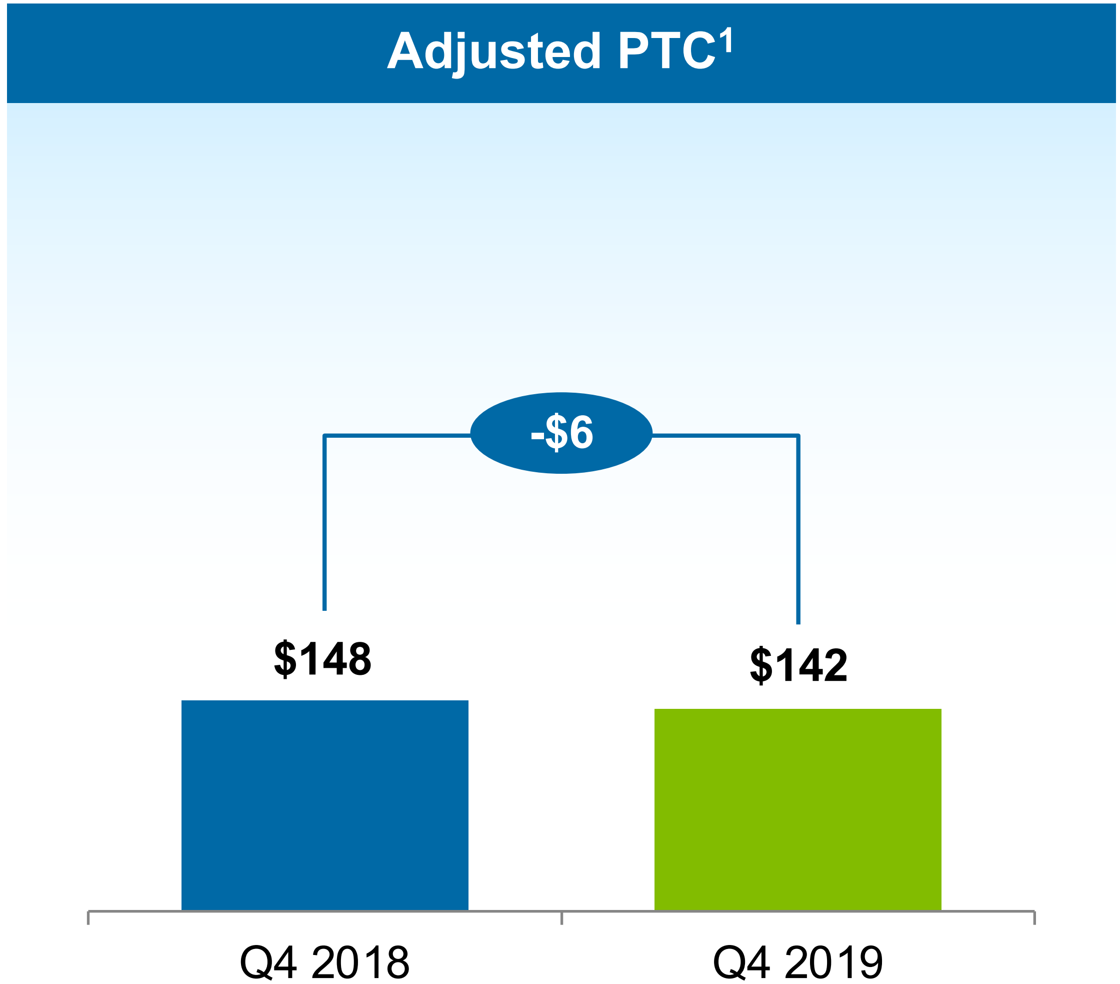


1. A non-GAAP financial measure. See Slide 52 for reconciliation to the nearest GAAP measure and “definitions”.

Q4 Financial Results: US & Utilities SBU

$ in Millions

- Lower Adjusted PTC[1] driven primarily by:
  - Decrease in asset retirement obligations at DPL in 2018;
  - Sale of Shady Point; and
  - Higher ash removal expense in Puerto Rico;
- Partially offset by contributions from renewables

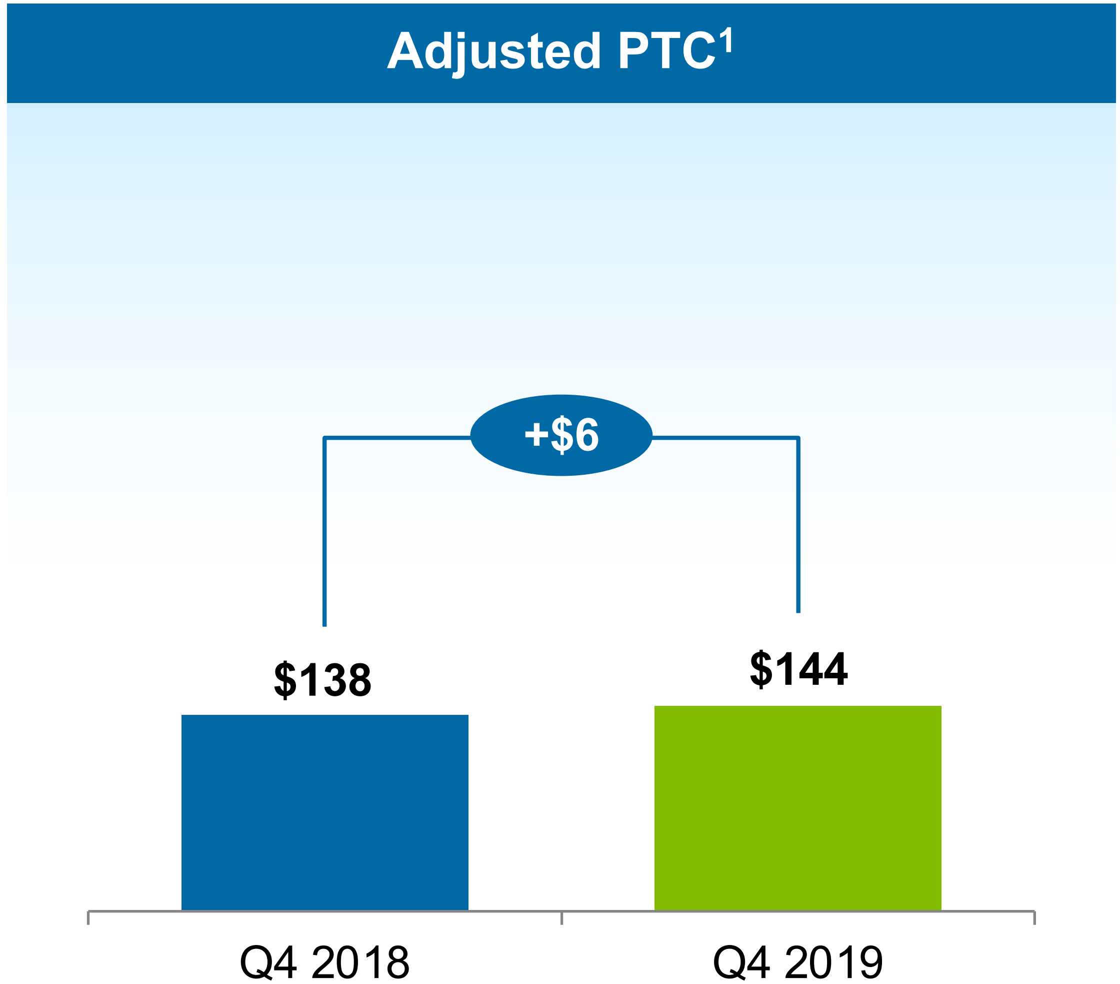


1. A non-GAAP financial measure. See "definitions".

Q4 Financial Results: South America SBU

$ in Millions

- Higher Adjusted PTC[1] driven primarily by:
  - Higher generating an energy prices in Colombia; and
  - Lower realized foreign currency losses in Argentina;
- Partially offset by lower contracted energy sales in Chile and foreign currency devaluation in Colombia

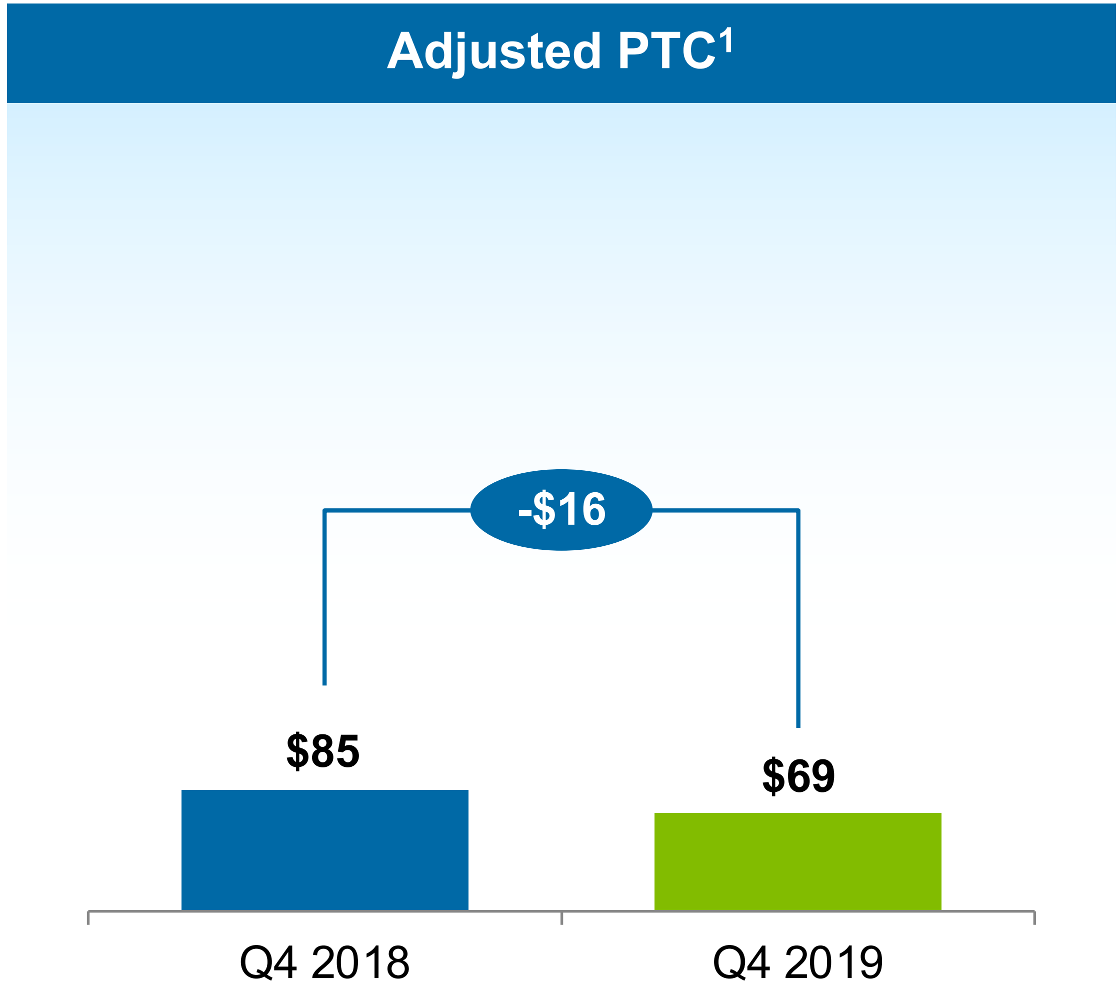


1. A non-GAAP financial measure. See "definitions".

Q4 Financial Results: MCAC SBU

$ in Millions

- Lower Adjusted PTC[1] driven primarily by:
  - Final stage of planned outage in Panama; and
  - Lower spot pricing in the Dominican Republic

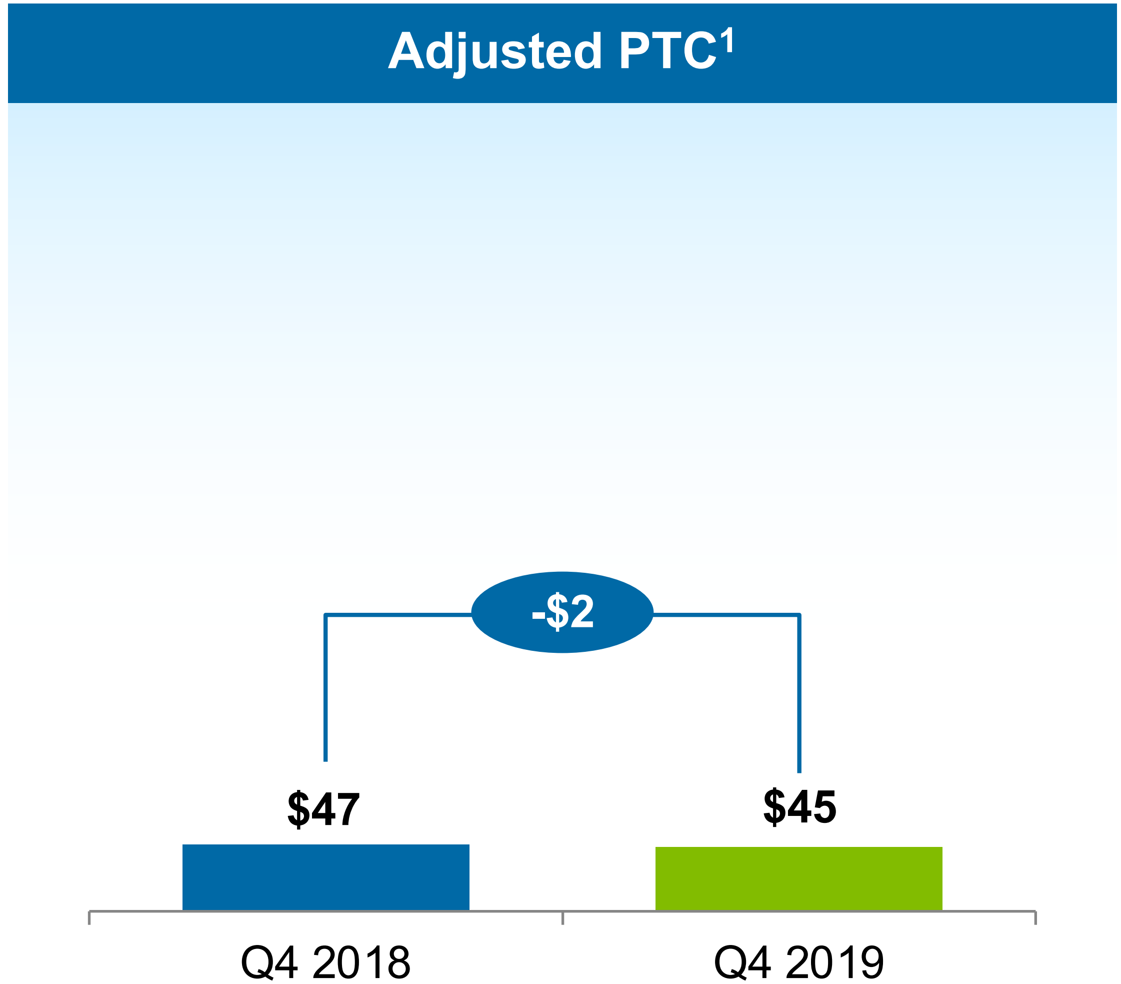


1. A non-GAAP financial measure. See "definitions".

Q4 Financial Results: Eurasia SBU

$ in Millions

- Lower Adjusted PTC[1] driven primarily by the sale of businesses in the United Kingdom



1. A non-GAAP financial measure. See "definitions".

FY 2019 Adjusted PTC[1]: Reconciliation to Public Financials of Listed Subsidiaries & Public Filers

This table provides financial data of those operating subsidiaries of AES that are publicly listed or have publicly filed financial information on a stand-alone basis. The table provides a reconciliation of the subsidiary's Adjusted PTC as it is included in AES consolidated Adjusted PTC with the subsidiary's income/(loss) from continuing operations under US GAAP and the subsidiary's locally IFRS reported net income, if applicable. Readers should consult the subsidiary's publicly filed reports for further details of such subsidiary's results of operations.

AES SBU/Reporting Country	US & Utilities/US				South America/Chile		South America/Brazil	
AES Company	IPL		DPL		AES Gener[2]		AES Tietê[2]	
$ in Millions	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
US GAAP Reconciliation								
AES Business Unit Adjusted Earnings[1,3]	**$91**	**$93**	**$127**	**$93**	**$237**	**$234**	**$20**	**$21**
Adjusted PTC[1,3] Public Filer (Stand-alone)	**$118**	**$101**	**$126**	**$132**	**$328**	**$338**	**$25**	**$30**
Impact of AES Differences from Public Filings	-	-	-	$2	$3	$2	-	-
AES Business Unit Adjusted PTC[1]	**$118**	**$101**	**$126**	**$134**	**$331**	**$340**	**$25**	**$30**
Unrealized Derivatives and Equity Security Gains	-	-	$1	($1)	($13)	$24	-	-
Unrealized Foreign Currency Gains (Losses)	-	-	-	-	($6)	($9)	-	($1)
Impairment Expense	-	-	($4)	($3)	($105)	($96)	-	-
Disposition/Acquisition Losses	($4)	-	$21	($21)	($3)	$122	-	-
Losses on Extinguishment of Debt	-	-	($45)	($6)	($35)	($10)	($1)	-
Restructuring Costs	-	($1)	-	$2	-	($6)	-	-
Non-Controlling Interest before Tax	$53	$47	-	-	$98	$221	$84	$99
Income Tax Benefits (Expenses)	($37)	($11)	$6	($30)	($100)	($225)	($20)	($41)
US GAAP Income/(Loss) from Continuing Operations[4]	**$130**	**$136**	**$105**	**$75**	**$167**	**$361**	**$88**	**$87**
Adjustment to Depreciation & Amortization[5]					($41)	($41)	($12)	($13)
Adjustment to Taxes					($12)	$2	$6	$9
Other Adjustments					$10	($17)	($7)	($4)
IFRS Net Income					**$124**	**$305**	**$75**	**$79**
BRL-USD Implied Exchange Rate							3.9718	3.6308

1. A non-GAAP financial measure. Reconciliation provided above. See "definitions" for descriptions of adjustments.
2. The listed subsidiary is a public filer in its home country and reports its financial results locally under IFRS. Accordingly certain adjustments presented under IFRS Reconciliation are required to account for differences between US GAAP and local IFRS standards.
3. Total Adjusted PTC, US GAAP Income from continuing operations and intervening adjustments are calculated before the elimination of inter-segment transactions such as revenue and expenses related to the transfer of electricity from AES generation plants to AES utilities.
4. Represents the income/(loss) from continuing operations of the subsidiary included in the consolidated operating results of AES under US GAAP.
5. Adjustment to depreciation and amortization expense represents additional expense required due primarily to basis differences of long-lived and intangible assets under IFRS for each reporting period.

FY 2019 Modeling Disclosures

$ in Millions

	Adjusted PTC[1]	Interest Expense			Interest Income			Depreciation & Amortization		
		Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US & Utilities	**$569**	**$301**	**($38)**	**$263**	**$18**	**($1)**	**$17**	**$465**	**($78)**	**$387**
DPL	$126	$82	-	$82	$2	-	$2	$50	-	$50
IPL	$118	$122	($37)	$85	$1	($1)	-	$240	($72)	$168
South America	**$504**	**$285**	**($145)**	**$140**	**$95**	**($22)**	**$73**	**$315**	**($137)**	**$178**
AES Gener	$331	$141	($61)	$80	$13	($4)	$9	$228	($88)	$140
AES Tietê	$25	$109	($83)	$26	$21	($16)	$5	$64	($48)	$16
MCAC	**$367**	**$142**	**($40)**	**$102**	**$22**	**($5)**	**$17**	**$183**	**($66)**	**$117**
Eurasia	**$159**	**$127**	**($52)**	**$75**	**$180**	**($88)**	**$92**	**$67**	**($4)**	**$63**
Subtotal	**$1,599**	**$855**	**($275)**	**$580**	**$315**	**($116)**	**$199**	**$1,030**	**($285)**	**$745**
Corp/Other	($359)	$195	($1)	$195	$3	-	$3	$15	-	$15
Total	**$1,240**	**$1,050**	**($275)**	**$775**	**$318**	**($116)**	**$202**	**$1,045**	**($285)**	**$761**

1. A non-GAAP financial measure. See Slide 53 for reconciliation to the nearest GAAP measure and "definitions".

FY 2019 Modeling Disclosures

$ in Millions

	Total Debt			Cash & Cash Equivalents, Restricted Cash, Short-Term Investments, Debt Service Reserves & Other Deposits		
	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US & Utilities	**$7,423**	**($805)**	**$6,618**	**$576**	**($24)**	**$552**
DPL	$1,507	-	$1,507	$47	-	$47
IPL	$2,652	($796)	$1,856	$49	($15)	$34
South America	**$5,610**	**($2,466)**	**$3,144**	**$843**	**($435)**	**$408**
AES Gener	$4,173	($1,679)	$2,494	$351	($132)	$219
AES Tietê	$1,038	($785)	$253	$376	($284)	$92
MCAC	**$2,297**	**($683)**	**$1,614**	**$279**	**($84)**	**$195**
Eurasia	**$1,450**	**($525)**	**$925**	**$186**	**($28)**	**$158**
Subtotal	**$16,780**	**($4,479)**	**$12,301**	**$1,884**	**($571)**	**$1,313**
Corp/Other	$3,398	-	$3,398	$88	-	$88
Total	**$20,178**	**($4,479)**	**$15,699**	**$1,972**	**($571)**	**$1,401**

Q4 2019 Modeling Disclosures

$ in Millions

	Adjusted PTC[1]	Interest Expense			Interest Income			Depreciation & Amortization		
		Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted	Consolidated	Attributable to NCI	Ownership-Adjusted
US & Utilities	**$142**	**$69**	**($10)**	**$59**	**$5**	**($1)**	**$4**	**$129**	**($20)**	**$109**
DPL	$20	$19	-	$19	-	-	-	$18	-	$18
IPL	$27	$30	($9)	$21	-	-	-	$60	($18)	$42
South America	**$144**	**$80**	**($42)**	**$38**	**$22**	**($5)**	**$17**	**$78**	**($34)**	**$44**
AES Gener	$94	$43	($19)	$24	$4	($2)	$2	$57	($22)	$35
AES Tietê	$7	$29	($22)	$7	$4	($3)	$1	$16	($12)	$4
MCAC	**$69**	**$39**	**($11)**	**$28**	**$4**	**-**	**$4**	**$45**	**($15)**	**$30**
Eurasia	**$45**	**$29**	**($12)**	**$17**	**$44**	**($21)**	**$23**	**$15**	**($1)**	**$14**
Subtotal	**$400**	**$217**	**($75)**	**$142**	**$75**	**($27)**	**$48**	**$267**	**($70)**	**$197**
Corp/Other	($98)	$45	-	$45	$1	-	$1	$4	-	$4
Total	**$302**	**$262**	**($75)**	**$187**	**$76**	**($27)**	**$49**	**$271**	**($70)**	**$201**

1. A non-GAAP financial measure. See Slide 52 for reconciliation to the nearest GAAP measure and “definitions”.

2020 Adjusted PTC Modeling Ranges

$ in Millions

SBU	2020 Adjusted PTC Modeling Ranges as of 2/28/20[1]	Drivers of Growth Versus 2019
US and Utilities	$580-$620	+ Southland Repowering + Renewables – DPL
South America	$475-$505	– Argentina + Green Blend and Extend in Chile + Brazil hydrology
MCAC	$340-$360	– Insurance recovery in 2019
Eurasia	$175-$185	+ OPGC
Total SBUs	**$1,570-$1,670**	
Corporate & Other[2]	($270)-($290)	+ Cost savings + Lower interest expense
Total AES Adjusted PTC[1,2]	**$1,300-$1,380**	

1. A non-GAAP financial metric. See “definitions”.
2. Total AES Adjusted PTC includes after-tax adjusted equity in earnings.

AES Modeling Disclosures

$ in Millions

	2020
Subsidiary Distributions (a)	**$1,075-$1,125**
Cash Interest (b)	**($175)**
Corporate Overhead	($90)
Parent-Funded SBU Overhead	($80)
Business Development/Taxes	($5)
Cash for Development, General & Administrative and Tax (c)	**($175)**
Parent Free Cash Flow[1] (a – b – c)	**$725-$775**

1. A non-GAAP financial measure. The Company is not able to provide a corresponding GAAP equivalent or reconciliation for its Parent Free Cash Flow expectation without unreasonable effort. See "definitions".

FY 2020 Guidance Estimated Sensitivities

Interest Rates[1]

- 100 bps increase in interest rates over 2020 is forecasted to have a change in Adjusted EPS of approximately ($0.02)

Currencies

10% appreciation of USD against following currencies is forecasted to have the following Adjusted EPS impacts:	2020	
	Average Rate	Sensitivity
Argentine Peso (ARS)	75.06	($0.01)
Brazilian Real (BRL)	4.06	Less than ($0.005)
Chilean Peso (CLP)	751	Less than $0.005
Colombian Peso (COP)	3,327	($0.01)
Euro (EUR)	1.13	($0.005)
Indian Rupee (INR)	72.75	Less than ($0.005)
Mexican Peso (MXN)	19.43	$0.01

Commodity

10% increase in commodity prices is forecasted to have the following Adjusted EPS impacts:	2020	
	Average Rate	Sensitivity
IPE Brent Crude Oil	$64.22/bbl	Less than $0.005
NYMEX Henry Hub Natural Gas	$2.28/mmbtu	($0.005)
Rotterdam Coal (API 2)	$56.4/ton	($0.005)
US Power – SP15	$36.65/MWh	$0.015

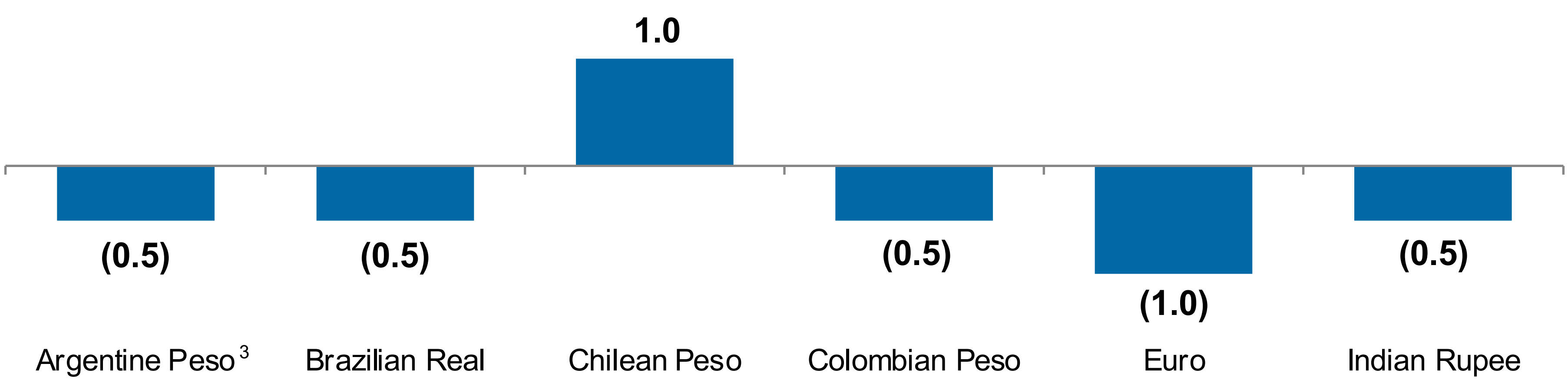
Note: Guidance provided on February 28, 2020. Sensitivities are provided on a standalone basis, assuming no change in the other factors, to illustrate the magnitude and direction of changing key market factors on AES' results. Estimates show the impact on 2020 Adjusted EPS. Actual results may differ from the sensitivities provided due to execution of risk management strategies, local market dynamics and operational factors. Full year 2020 guidance is based on currency and commodity forward curves and forecasts as of December 31, 2019. There are inherent uncertainties in the forecasting process and actual results may differ from projections. The Company undertakes no obligation to update the guidance presented. Please see Item 1 of the Form 10-K for a more complete discussion of this topic. AES has exposure to multiple coal, oil, natural gas and power indices; forward curves are provided for representative liquid markets. Sensitivities are rounded to the nearest $0.005 per share.

1. The move is applied to the floating interest rate portfolio balances as of December 31, 2019.

Foreign Exchange (FX) Risk Before Hedges

Cents Per Share, Exposures Before Hedges

Full Year 2022 Adjusted EPS[1] FX Sensitivity[2]



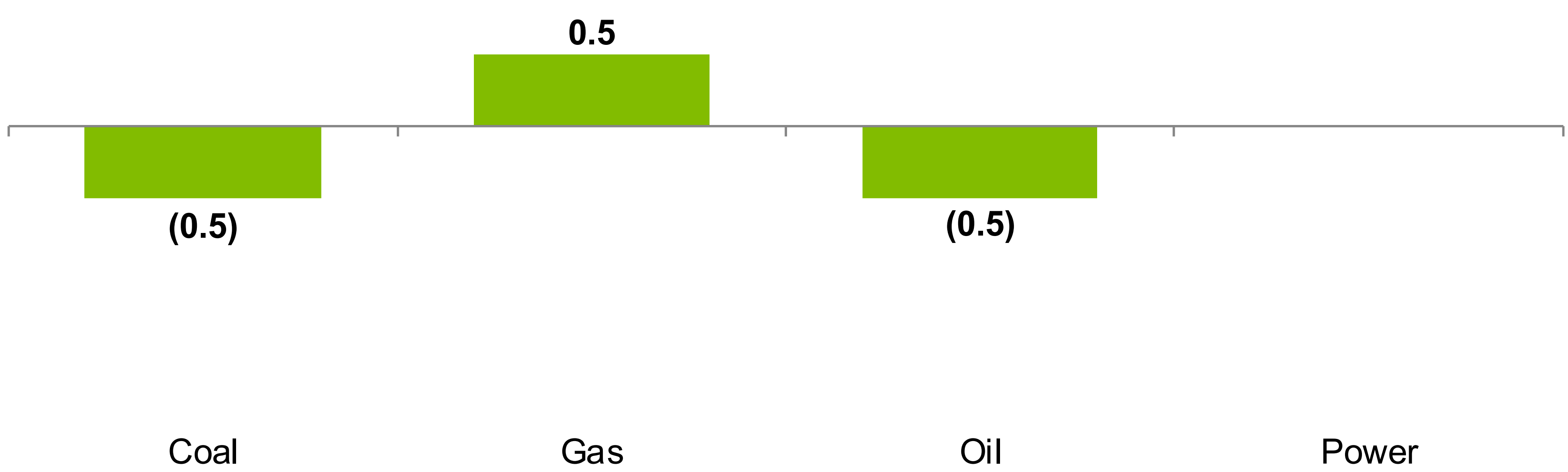
- 2022 FX risk for 10% US Dollar appreciation against foreign currency, before impact of financial hedge instruments
- Estimated realized FX moves include inflation adjustments earned through contracts in Argentina and Colombia; historic analysis indicates that such adjustments could offset FX risk by at least 64% in Argentina and 94% in Colombia over a 3-year period

1. A non-GAAP financial measure. See "definitions".
2. Sensitivity represents full year 2022 exposure as of December 31, 2019.
3. Argentine Peso 2022 sensitivity based on AES internal FX rate assessment (Average USD/ARS rate = 91) due to lack of liquidity in forward market.

Commodity Risk

Cents Per Share

Full Year 2022 Adjusted EPS[1] Commodity Sensitivity[2]



1. A non-GAAP financial measure. See "definitions".
2. Sensitivities assumes fuel moves 10% relative to commodities as of December 31, 2019. Adjusted EPS is negatively correlated to coal and oil price movement, and positively correlated gas and power price movements.

Projects Under Construction Expected to Earn Double Digit After-Tax Returns

$ in Millions, Unless Otherwise Stated

Project	Country	AES Ownership	Fuel/Technology	Gross MW	Expected COD[1]	Total Capex	Total AES Equity
Construction Projects Coming On-Line 2020-2021							
Global Renewables	Various	24%-100%	Wind/Solar/ Energy Storage	1,179	1H 2020- 1H 2021	$2,355	$394
Southland Repowering[2]	US-CA	100%	Gas	1,299	1H 2020	$2,287	$329
Alto Maipo	Chile	62%	Hydro	531	2H 2020	$3,439	$683
Total				**3,009**		**$8,081**	**$1,406**

1. Commercial Operations Date.
2. Plant achieved commercial operations in February 2020.

PPAs Signed in 2019

Project	Location	Technology	Gross MW	AES Equity Interest	Expected COD[1]	PPA Length (Years)
AES Distributed Energy (AES DE)	US-Various	Solar	141	100%	1H 2020-2H 2022	20-25
		Energy Storage	120			
McDonalds	Brazil	Solar	5	24%	2H 2020	12
Farmácias São João	Brazil	Solar	3	24%	2H 2020	12
APS	US-AZ	Energy Storage	100	100%	1H 2021	20
Quimpac	Colombia	Solar	13	67%	1H 2021	10
Skipjack (Keydet, sPower)	US-VA	Solar	175	50%	2H 2021	15
Clover Creek (sPower)	US-UT	Solar	80	50%	2H 2021	25
AES Gener	Chile	Solar	37	34%	1H 2022	15
		Wind	144			
Gensa	Colombia	Wind	200	67%	1H 2023	15
Total Signed in 1H 2019			**1,018**			
AES Gener	Chile	Solar	35	67%	In Operation[2]-2H 2021	2-13
		Wind	200			
AES DE	US-Various	Solar	89	100%	1H 2020-1H 2021	15-20
		Energy Storage	15			
Vientos Bonaerenses	Argentina	Wind	20	100%	1H 2020	8
AES Panama	Panama	Solar	71	49%	1H 2020-2H 2020	8-15
AES Dominicana	Dominican Republic	Solar	48	85%	2H 2020-1H 2022	3-15
AES El Salvador	El Salvador	Solar	15	50%-100%	2H 2020	20-25
Central Line (sPower)	US-AZ	Solar	100	50%	2H 2021	20
MIC 1, 2, 4, 6 (sPower)	US-MI	Solar	75	50%	2H 2021	20
Tucano	Brazil	Wind	322	12%-24%	1H 2022	15-20
EnerAB	Mexico	Wind	300	100%	2H 2022	25
Raceway 1 (sPower)	US-CA	Solar	125	50%	2H 2022	20
		Energy Storage	80			
Solimar (sPower)	US-UT	Solar	30	50%	2H 2023	25
Casa Electrica	Colombia	Wind	175	67%	2H 2023	15-20
Apotolurru	Colombia	Wind	80	67%	2H 2023	15
Total Signed in 2H 2019			**1,780**			
Total FY 2019			**2,798**			

1. Commercial Operations Date.
2. Acquisition closed in Q4 2019.

Reconciliation of Q4 Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	Q4 2019		Q4 2018	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income (Loss) from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	($78)	($0.12)	$102	$0.15
Add: Income Tax Expense from Continuing Operations Attributable to AES	$35		$152	
Pre-Tax Contribution	($43)		$254	
Adjustments				
Unrealized Derivative and Equity Securities Losses	$35	$0.05	$29	$0.05
Unrealized Foreign Currency Losses (Gains)	($13)	($0.01)	$9	$0.02
Disposition/Acquisition Losses (Gains)	$15	$0.02[3]	($112)	($0.17)[4]
Impairment Expense	$282	$0.42[5]	$135	$0.20[6]
Loss on Extinguishment of Debt	$26	$0.04[7]	$3	-
Restructuring Costs	-	-	($3)	-
U.S. Tax Law Reform Impact	-	($0.02)	-	$0.13[8]
Less: Net Income Tax Expense (Benefit)	-	($0.03)[9]	-	($0.02)
Adjusted PTC[1] & Adjusted EPS[1]	**$302**	**$0.35**	**$315**	**$0.36**

1. A Non-GAAP financial measure. See “definitions”.
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to losses recognized at commencement of sales-type leases at Distributed Energy of $36 million, or $0.05 per share, partially offset by gain on disposal of Stuart and Killen at DPL of $20 million, or $0.03 per share.
4. Amount primarily relates to gain on sale of CTNG of $86 million, or $0.13 per share and gain on remeasurement of contingent consideration at AES Oahu of $32 million, or $0.05 per share.
5. Amount primarily relates to asset impairment at Hawaii of $60 million, or $0.09 per share; impairments at our Guacolda and sPower equity affiliates, impacting equity earnings by $105 million, or $0.16 per share, and $15 million, or $0.02 per share, respectively; and other-than-temporary impairment of OPGC of $92 million, or $0.14 per share.
6. Amount primarily relates to asset impairment at Nejapa of $37 million, or $0.06 per share and other-than-temporary impairment of Guacolda of $96 million, or $0.14 per share.
7. Amount primarily relates to losses on early retirement of debt at AES Gener of $22 million, or $0.03 per share.
8. Amount relates to a SAB 118 charge to finalize the provisional estimate of one-time transition tax on foreign earnings of $194 million, or $0.29 per share, partially offset by a SAB 118 income tax benefit to finalize the provisional estimate of remeasurement of deferred tax assets and liabilities to the lower corporate tax rate of $77 million, or $0.11 per share.
9. Amount primarily relates to income tax benefits associated with the impairments at OPGC of $23 million, or $0.03 per share, Guacolda of $13 million, or $0.02 per share, and Hawaii of $13 million, or $0.02 per share; partially offset by an adjustment to income tax expense related to 2018 gains on sales of business interests, primarily Masinloc, of $25 million, or $0.04 per share.

Reconciliation of FY Adjusted PTC[1] and Adjusted EPS[1]

$ in Millions, Except Per Share Amounts	FY 2019		FY 2018	
	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]	Net of NCI[2]	Per Share (Diluted) Net of NCI[2]
Income from Continuing Operations, Net of Tax, Attributable to AES and Diluted EPS	$302	$0.45	$985	$1.48
Add: Income Tax Expense from Continuing Operations Attributable to AES	$250		$563	
Pre-Tax Contribution	$552		$1,548	
Adjustments				
Unrealized Derivative and Equity Securities Losses	$113	$0.17[3]	$33	$0.05
Unrealized Foreign Currency Losses	$36	$0.05[4]	$51	$0.09[5]
Disposition/Acquisition Losses (Gains)	$12	$0.02[6]	($934)	($1.41)[7]
Impairment Expense	$406	$0.61[8]	$307	$0.46[9]
Loss on Extinguishment of Debt	$121	$0.18[10]	$180	$0.27[11]
U.S. Tax Law Reform Impact	-	($0.01)	-	$0.18[12]
Less: Net Income Tax Expense (Benefit)	-	($0.11)[13]	-	$0.12[14]
Adjusted PTC[1] & Adjusted EPS[1]	**$1,240**	**$1.36**	**$1,185**	**$1.24**

1. A Non-GAAP financial measure. See "definitions".
2. NCI is defined as Noncontrolling Interests.
3. Amount primarily relates to unrealized derivative losses in Argentina of $89 million, or $0.13 per share, mainly associated with foreign currency derivatives on government receivables.
4. Amount primarily relates to unrealized FX losses in Argentina of $25 million, or $0.04 per share, mainly associated with the devaluation of long-term receivables denominated in Argentine pesos, and unrealized FX losses at the Parent Company of $12 million, or $0.02 per share, mainly associated with intercompany receivables denominated in Euro.
5. Amount primarily relates to unrealized FX losses of $22 million, or $0.03 per share, associated with the devaluation of long-term receivables denominated in Argentine pesos, and unrealized FX losses of $14 million, or $0.02 per share, on intercompany receivables denominated in Euro and British pounds at the Parent Company.
6. Amount primarily relates to losses recognized at commencement of sales-type leases at Distributed Energy of $36 million, or $0.05 per share, and loss on sale of Kilroot and Ballylumford of $31 million, or $0.05 per share; partially offset by gain on sale of a portion of our interest in sPower's operating assets of $28 million, or $0.04 per share, gain on disposal of Stuart and Killen at DPL of $20 million, or $0.03 per share, and gain on sale of ownership interest in Simple Energy as part of the Uplight merger of $12 million, or $0.02 per share.
7. Amount primarily relates to gain on sale of Masinloc of $772 million, or $1.16 per share, gain on sale of CTNG of $86 million, or $0.13 per share, gain on sale of Electrica Santiago of $36 million, or $0.05 per share, gain on remeasurement of contingent consideration at AES Oahu of $32 million, or $0.05 per share, gain on sale related to the Company's contribution of AES Advancion energy storage to the Fluence joint venture of $23 million, or $0.03 per share, and realized derivative gains associated with the sale of Eletropaulo of $21 million, or $0.03 per share; partially offset by loss on disposal of the Beckjord facility and additional shutdown costs related to Stuart and Killen at DPL of $21 million, or $0.03 per share.
8. Amount primarily relates to asset impairments at Kilroot and Ballylumford of $115 million, or $0.17 per share and Hawaii of $60 million, or $0.09 per share; impairments at our Guacolda and sPower equity affiliates, impacting equity earnings by $105 million, or $0.16 per share, and $21 million, or $0.03 per share, respectively; and other-than-temporary impairment of OPGC of $92 million, or $0.14 per share.
9. Amount primarily relates to asset impairments at Shady Point of $157 million, or $0.24 per share, and Nejapa of $37 million, or $0.06 per share, and other-than-temporary impairment of Guacolda of $96 million, or $0.14 per share.
10. Amount primarily relates to losses on early retirement of debt at DPL of $45 million, or $0.07 per share, AES Gener of $35 million, or $0.05 per share, Mong Duong of $17 million, or $0.03 per share, and Colon of $14 million, or $0.02 per share.
11. Amount primarily relates to loss on early retirement of debt at the Parent Company of $171 million, or $0.26 per share.
12. Amount relates to a SAB 118 charge to finalize the provisional estimate of one-time transition tax on foreign earnings of $194 million, or $0.29 per share, partially offset by a SAB 118 income tax benefit to finalize the provisional estimate of remeasurement of deferred tax assets and liabilities to the lower corporate tax rate of $77 million, or $0.11 per share.
13. Amount primarily relates to income tax benefits associated with the impairments at OPGC of $23 million, or $0.03 per share, Guacolda of $13 million, or $0.02 per share, Hawaii of $13 million, or $0.02 per share, and Kilroot and Ballylumford of $11 million, or $0.02 per share, and income tax benefits associated with losses on early retirement of debt of $24 million, or $0.04 per share.
14. Amount primarily relates to the income tax expense under the GILTI provision associated with the gains on sales of business interests, primarily Masinloc, of $97 million, or $0.15 per share, and income tax expense associated with gains on sale of CTNG of $36 million, or $0.05 per share and Electrica Santiago of $13 million, or $0.02 per share; partially offset by income tax benefits associated with the loss on early retirement of debt at the Parent Company of $36 million, or $0.05 per share, and income tax benefits associated with the impairment at Shady Point of $33 million, or $0.05 per share; partially offset by an adjustment to income tax expense related to 2018 gains on sales of business interests, primarily Masinloc, of $25 million, or $0.04 per share.

Reconciliation of Parent Free Cash Flow[1]

$ in Millions

	2019	2018
Net Cash Provided by Operating Activities at the Parent Company[2]	**$583**	**$409**
Subsidiary Distributions to QHCs Excluded from Schedule 1[3]	$183	$117
Subsidiary Distributions Classified in Investing Activities[4]	$60	$267
Parent-Funded SBU Overhead and Other Expenses Classified in Investing Activities[5]	($97)	($84)
Other	($3)	($20)
Parent Free Cash Flow[1]	**$726**	**$689**

1. A non-GAAP financial measure. See "definitions".
2. Refer to Part IV—Item 15—Schedule I—Condensed Financial Information of Registrant of the Company's 2019 10-K filed with the SEC on February 27, 2020.
3. Subsidiary distributions received by Qualified Holding Companies ("QHCs") excluded from Schedule 1. See "definitions".
4. Subsidiary distributions that originated from the results of operations of an underlying investee but were classified as investing activities when received by the relevant holding company included in Schedule 1. See "definitions".
5. Net cash payments for parent-funded SBU overhead, business development, taxes, transaction costs, and capitalized interest that are classified as investing activities or excluded from Schedule 1.

Assumptions

Forecasted financial information is based on certain material assumptions. Such assumptions include, but are not limited to: (a) no unforeseen external events such as wars, depressions, or economic or political disruptions occur; (b) businesses continue to operate in a manner consistent with or better than prior operating performance, including achievement of planned productivity improvements including benefits of global sourcing, and in accordance with the provisions of their relevant contracts or concessions; (c) new business opportunities are available to AES in sufficient quantity to achieve its growth objectives; (d) no material disruptions or discontinuities occur in the Gross Domestic Product (GDP), foreign exchange rates, inflation or interest rates during the forecast period; and (e) material business-specific risks as described in the Company's SEC filings do not occur individually or cumulatively. In addition, benefits from global sourcing include avoided costs, reduction in capital project costs versus budgetary estimates, and projected savings based on assumed spend volume which may or may not actually be achieved. Also, improvement in certain Key Performance Indicators (KPIs) such as equivalent forced outage rate and commercial availability may not improve financial performance at all facilities based on commercial terms and conditions. These benefits will not be fully reflected in the Company's consolidated financial results.

The cash held at qualified holding companies ("QHCs") represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries had no contractual restrictions on their ability to send cash to AES, the Parent Company; however, cash held at qualified holding companies does not reflect the impact of any tax liabilities that may result from any such cash being repatriated to the Parent Company in the U.S. Cash at those subsidiaries was used for investment and related activities outside of the U.S. These investments included equity investments and loans to other foreign subsidiaries as well as development and general costs and expenses incurred outside the U.S. Since the cash held by these QHCs is available to the Parent, AES uses the combined measure of subsidiary distributions to Parent and QHCs as a useful measure of cash available to the Parent to meet its international liquidity needs. AES believes that unconsolidated parent company liquidity is important to the liquidity position of AES as a parent company because of the non-recourse nature of most of AES' indebtedness.

Definitions

- **Adjusted Earnings Per Share**, a non-GAAP financial measure, is defined as diluted earnings per share from continuing operations excluding gains or losses of both consolidated entities and entities accounted for under the equity method due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, the tax impact from the repatriation of sales proceeds, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts, relocations and office consolidation; and (g) tax benefit or expense related to the enactment effects of 2017 U.S. tax law reform and related regulations and any subsequent period adjustments related to enactment effects.
- **Adjusted Pre-Tax Contribution**, a non-GAAP financial measure, is defined as pre-tax income from continuing operations attributable to The AES Corporation excluding gains or losses of the consolidated entity due to (a) unrealized gains or losses related to derivative transactions and equity securities; (b) unrealized foreign currency gains or losses; (c) gains, losses, benefits and costs associated with dispositions and acquisitions of business interests, including early plant closures, and gains and losses recognized at commencement of sales-type leases; (d) losses due to impairments; (e) gains, losses and costs due to the early retirement of debt; and (f) costs directly associated with a major restructuring program, including, but not limited to, workforce reduction efforts, relocations and office consolidation. Adjusted PTC also includes net equity in earnings of affiliates on an after-tax basis adjusted for the same gains or losses excluded from consolidated entities.
- **NCI** is defined as noncontrolling interests.
- **Parent Company Liquidity** (a non-GAAP financial measure) is defined as as cash available to the Parent Company plus available borrowings under existing credit facility plus cash at qualified holding companies (“QHCs”). The cash held at qualified holding companies represents cash sent to subsidiaries of the Company domiciled outside of the U.S. Such subsidiaries have no contractual restrictions on their ability to send cash to the Parent Company.
- **Parent Free Cash Flow** (a non-GAAP financial measure) should not be construed as an alternative to Net Cash Provided by Operating Activities which is determined in accordance with GAAP. Parent Free Cash Flow is equal to Subsidiary Distributions less cash used for interest costs, development, general and administrative activities, and tax payments by the Parent Company. Parent Free Cash Flow is used for dividends, share repurchases, growth investments, recourse debt repayments, and other uses by the Parent Company.
- **Subsidiary Liquidity** (a non-GAAP financial measure) is defined as cash and cash equivalents and bank lines of credit at various subsidiaries.
- **Subsidiary Distributions** should not be construed as an alternative to Net Cash Provided by Operating Activities which is determined in accordance with GAAP. Subsidiary Distributions are important to the Parent Company because the Parent Company is a holding company that does not derive any significant direct revenues from its own activities but instead relies on its subsidiaries’ business activities and the resultant distributions to fund the debt service, investment and other cash needs of the holding company. The reconciliation of the difference between the Subsidiary Distributions and Net Cash Provided by Operating Activities consists of cash generated from operating activities that is retained at the subsidiaries for a variety of reasons which are both discretionary and non-discretionary in nature. These factors include, but are not limited to, retention of cash to fund capital expenditures at the subsidiary, cash retention associated with non-recourse debt covenant restrictions and related debt service requirements at the subsidiaries, retention of cash related to sufficiency of local GAAP statutory retained earnings at the subsidiaries, retention of cash for working capital needs at the subsidiaries, and other similar timing differences between when the cash is generated at the subsidiaries and when it reaches the Parent Company and related holding companies.